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PUBLICATIONS

1973-74 GOVERNOR'S BUDGET SUMMARY

Ronald Reagan, Governor, State of California



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STATE OF CALIFORNIA GOVERNOR'S BUDGET SUMMARY FOR 1973-74

Submitted by
RONALD REAGAN
Governor
to the
CALIFORNIA LEGISLATURE

1973 Regular Session



State of California



GOVERNOR'S OFFICE SACRAMENTO 95814

January 18, 1973

Budget Message

To the Members of the Legislature of California:

For a number of reasons, some within the control of this Administration and others beyond it, the fiscal outlook for 1973–74 is brighter than it has been in years. The state will begin the fiscal year with a sizable surplus. Projected revenues are greater than the expenditures planned in the budget, and it now appears this condition should continue for at least two additional years.

Actions within the control of the Administration which have been partially responsible include the sweeping reforms in welfare and Medi-Cal enacted in 1971. The number of persons on welfare has declined steadily since that time, but simultaneously we have been able to increase payments to the deserving who remain on the rolls. Prior to reform, growth in expenditures in this area greatly exceeded the rate of growth in our revenues. Now, rate of growth in the combined fields is roughly the same as the rate of growth in general fund revenues.

In other areas, also, the Administration has striven without letup to increase economy and efficiency. Programs are reviewed critically at several levels and those which no longer serve the needs of Californians are eliminated. There are numerous examples of areas where department directors and other state employees, working cooperatively together, have increased productivity.

Beyond control of the state administration is the fact that the outlook is for a sparkling national and California economy

through 1973. Most economists also look forward to a very good year in 1974, although possibly a little less robust than 1973. Our fiscal position is also greatly improved because of federal revenue sharing. This program will enlarge the state treasury by approximately \$200 million per year and will provide local government with \$2.00 for every \$1.00 that state government receives.

Last year I asked my Director of Finance to present the budget or financial plan for California in two parts. The first, encompassing by far the larger part of our expenditures, constitutes money which the state collects but returns to local government for spending on local programs. The second part covers the money spent on state operations, including the legislative, judicial and executive branches. I have asked that this separation of the budget into two parts be continued again for the forthcoming year. I believe it can provide the public a much clearer picture of the operation of State government.

LOCAL OPERATIONS

For four years we struggled to reach a compromise on legislation which would grant effective property tax relief to homeowners. In the closing days of the 1972 session, the various differences were reconciled and a substantial property tax relief law was enacted. Under the provisions of that statute, the individual homeowner will have exempted from property tax the first \$1750 of his assessed valuation. The state will reimburse the counties for the amount of tax not collected from the homeowner. In addition, businesses will have exempted 45 percent of their inventories on the tax lien date, and again the state will reimburse the counties for the amount of revenue not collected. Late in 1971, legislation was enacted which substantially increased property tax relief for senior citizens. Under this new law, citizens in the lower tax brackets will receive 100 percent tax relief and others with incomes ranging as high as \$10,000 will get some measure of property tax help.

To provide these three areas of tax relief for the homeowner, business and the senior citizen, the state budget includes \$917 million. This is an increase of \$481 million, or 110 percent, over the amount which was initially provided in the budget one year ago at this time.

Preservation of California's open space is also necessary and we must assist in preventing wasteful, ill-timed and little needed subdivisions. There is budgeted \$22 million, an increase of 70 percent, for property tax relief of open space areas. In the budgeted year, new legislation will provide renters with direct relief of approximately \$40 million and further relief of \$70 million as permitted credits against personal income taxes.

I am also happy to note that business inventory relief will go from 45 percent to 50 percent in a year. The business inventory tax has a detrimental effect on California employment and we must not relax in our efforts to minimize this adverse factor.

Education

There is no brighter chapter in this entire budget than our support for local schools and the 4.6 million children they educate.

The same legislation which offered meaningful property tax relief for homeowners also made possible the greatest single year's increase in state support of local schools ever recorded in California. In fact, I have been told it represents the greatest single infusion of new state money into local schools ever recorded by any state in any year.

For the budget year, the state will contribute more than \$2.4 billion for support of local schools, including general support, aid to specialized projects, contributions to teachers' retirement and payments of interest and principal on bonds issued to finance local school building. This represents an increase of \$558 million over the amount appropriated in the current year's budget.

Of this amount, \$327 million will represent additional new money for school programs and another \$230 million, approximately, will substitute state dollars for local dollars. Districts which share in the latter will reduce their property tax for school purposes by a like amount, adding to the substantial property tax relief I mentioned earlier.

Federal revenue sharing, to which I alluded earlier, has been pledged for the support of local schools. We are also pleased that legislation has been passed which will provide an automatic annual increase in our appropriations for local education.

Money alone, however, will not solve school problems. We must continue our efforts to achieve greater efficiency in each of the nearly 1200 California school districts. There appears to be inadequate correlation between money per child spent by a school district and educational achievement.

Welfare

As I mentioned earlier, the welfare reforms of 1971 have made possible significant improvements in this field. During the years that welfare expenditures grew more rapidly than state revenues, the executive and legislative branches faced the difficult choice of raising taxes or cutting back on worthwhile programs in other areas.

Success in welfare reform has, for the budget year, made possible many of the gains recorded in other portions of this budget.

Medi-Cal

While perhaps less publicized, the reforms of 1971 in this field have also been of tremendous importance in keeping state expenditures in line. While we are anxious to see that adequate medical services are available to those in difficult financial circumstances, we are at the same time determined to prevent abuse and unnecessary overutilization of our medical resources.

Mental Health

This budget reflects the continuing trend toward local treatment of mental illness. Years ago it was common to house the mentally ill in huge state institutions where treatment though it may have been efficient, was often impersonal and far from home. Modern treatment techniques have revealed the much greater effectiveness to be gained by treating the mentally ill in local facilities, often as out patients. The taxpayer is thus often saved the burden of room and board, and recovery is greatly speeded.

In furthering our program for local treatment of the mentally ill, we are continuing our heavy commitment in this area.

STATE OPERATIONS

Higher Education

Statisticians have been predicting for several years that by the 1980's there would be a halt to the spiraling growth rate in higher education. At least in some segments, that phenomenon seems to have arrived 8 years earlier than expected. Both the University of California and the State University and Colleges have been consistently revising downward their predictions of student population, and two campuses of the University are showing actual decreases in enrollment.

In November, the Director of Finance appeared before a committee of the Regents of the University of California to outline some of our concerns with respect to their budget. We are convinced that there are numerous areas where increased economy and efficiency would result in great savings to the taxpayer.

Consequently, we have not funded the full (and substantial) increases requested by the Regents. Together with salary increases and fringe benefit improvements, the University had requested an unrealistic 25 percent increase in state aid. Instead, I am proposing an increase of \$45 million, which will grant the full salary increases requested by the University and nearly \$15 million in increased operating funds exclusive of salary items.

For the State University and College System, we are proposing \$442 million, an increase of over \$63 million. This will cover substantial salary increases and provide \$31 million for growth and higher costs due to inflation.

Student Financial Aid

Through the Scholarship and Loan Commission, our program of grants to educationally capable but financially needy students is one of the fastest growing area of state government involvement, a fact of which I am very proud. From a program of approximately \$5 million when I came into office in 1967, this has grown to over \$37 million in the budget year. Legislation signed last year increased the maximum scholarship grant to \$2200 and also increased the number of eligible students from 3 to $3\frac{1}{2}$ percent of California high school graduates.

The program also continues our contracts with private California medical schools to increase the number of medical students. The first year students funded in the current budget will be continued to their second year of medical education and an equal number of incoming first year students will be added.

Additionally, we are continuing the educational opportunity programs together with their administration, counseling and tutoring services, at the expanded rate established in the current year. To compensate for cost-of-living increases, we are proposing a 5 percent raise in individual grants for 1973–74.

Health and Welfare

The budget year will bring into being the new Department of Health. This amalgamation of previously fragmented efforts will enhance efficiency and at the same time we expect it to reduce expenditures. Treatment of alcoholism, drug abuse and mental retardation, previously spread among more than one department, will also be consolidated.

Population of the mentally ill in our state hospitals is expected to continue to decline due to the success of local treatment, discussed under local operations.

Some time ago I announced our plans to close San Quentin prison, long outmoded as a correctional institution. The budget contains money for planning two smaller, maximum security prisons to replace San Quentin.

Resources

California has been a leader in the fight against air and water pollution. This budget continues our strong efforts in both fields.

Assistance to local government for air pollution efforts is substantially enhanced.

Scarcely a month goes by without the purchase of additional land for one or more of California's many beautiful parks. This budget anticipates millions more for beach and park acquisition, some from bond funds and additional from the Bagley Conservation Fund. Since each new area requires maintenance manpower and equipment, our budget for parks and recreation is increased accordingly.

Salary Increase Funds

In the current year we took the first of two steps to bring salaries of state employees to the level paid for comparable work in private industry or other governmental levels. At that time, we understood that the amount of money appropriated would do over half the task, and we expected to request the other half in this budget.

However, current salary findings by the Personnel Board together with continuing inflation have revealed that this year's step must be even greater than that of last year. In accordance with the commitment I made to state employees, I am therefore including the full amount recommended by the Personnel Board to fulfill our obligation and reach our goal.

Conclusion

There is almost no limit to the number of things someone might think it would be "nice" to do for citizens. Although this is a very large budget, there will be some who will point out areas where they would like to increase expenditures, or who will advocate programs not now pursued by state government.

There is, however, a very definite limit to the taxpayer's ability and willingness to sacrifice further to permit government to grow.

This budget continues state operations that Californians have determined necessary. It funds massive amounts for property tax relief. It recommends appropriation of the largest annual increase ever made to local schools and it continues our fair and adequate funding of higher education. In fact, of the \$7.15 billion general fund portion of the budget, \$3.29 billion or 46 percent, goes for education. An additional \$1.49 billion is allocated to welfare and Medi-Cal and approximately \$1 billion for property tax relief. Together, these three categories constitute over 80 percent of all our general fund expenditures.

It would indeed be foolish to initiate vast new programs or levels of expenditures higher than absolutely necessary simply because for a short period in the span of government we have an operating surplus. Government should never take from the people more than absolutely necessary. Our surplus at the end of the current year will be larger than necessary to meet contingencies. I shall therefore propose a program which will return to the tax-payers substantially all of the excess.

I ask your cooperation in keeping expenditures to the lowest possible level as I submit this budget for the fiscal year commencing July 1, 1973 and ending June 30, 1974.

Rarald Ragan
Governor



DEPARTMENT OF FINANCE

SACRAMENTO

Letter of Transmittal



OFFICE OF THE DIRECTOR

The Honorable Ronald Reagan, Governor of California State Capitol, Sacramento, California

A Director of Finance alternates between despair and delight. When revenues are down and expenditures up he grows old before his time worrying about how the State will pay its bills. When circumstances are reversed, he naively hopes the surpluses will last forever.

For two years I presented to you budgets which were unduly stringent because the economy of California was less than robust. Today, that situation is reversed. Economists predict an outstanding 1973 and a 1974 that will be at least average and possibly well above normal.

This budget grants to homeowners the relief that you have long sought to offer. It provides massive additional amounts of aid to local schools. It grants comfortable though not excessive increases to many worthwhile programs administered by the myriad of State departments under your direction.

In the sometimes-neglected area of capital outlay, there is generous provision for new buildings at the University, State University and College, and Community College levels. We will augment our holdings of beach and park lands, provide many efficient new offices for such operations as the Department of Motor Vehicles and California Highway Patrol, and commence the phase-out of obsolete prisons.

In addition, we will begin the year with a surplus which could support a rebate or tax cut for hard pressed taxpayers, and we will live well within our revenues for the 12 months.

In accordance with Article IV, Section 12 of the State Constitution, I have the honor to submit to you the budget of the State of California for the fiscal year commencing July 1, 1973 and ending June 30, 1974.

Sincerely,

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VERNE ORR
Director of Finance

January 18, 1973



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Schedule 1

GENERAL BUDGET SUMMARY

General Fund

	Reference to	Actual	Estimated	Estimated
PRIOR YEAR RESOURCES 2	Schedule	1971-72 \$232,817,944	1972-73 \$600,340,742	1973-7 { 81,045,369,649
REVENUE AND TRANSFERS: 3		,,,,,,,,,,	400011,111,112	
Current Income Transfer from Revenue Sharing Fund	$\frac{2}{2}$	5,394,798,300 -	6.112,846,456	7,259,818,039 215,000,000
Total Available		\$5.627,616,244	\$6,713,187,198	\$8,520,187,688
EXPENDITURES State Operations Capital Outlay Local Assistance	3 3 3	\$1,418,981,430 134,016,775 3,474,277,297	\$1,653,540,460 18,268,719 3,993,665,950	\$1.796.341.260 13.745.873 5.335,621,879
Total Expenditures 4	3	\$5,027,275,502	\$5,665,475,129	\$7,145.709.012
LEGISLATION NOT IN BUDGET TOTALS		-	2,342,420 6	5,419,000 7
Total Expenditures		\$5.027.275.502	\$5.667,817.549	\$7.151.128,012
ENDING RESOURCES Reserve for Working Capital 5 Reserve for Unencumbered Balances of	4	\$600,340,742 309,392,640	\$1,045,369,649 402,317,000	\$1,369,059,676 470,680,000
Continuing AppropriationsUnrestricted Surplus	4	34,686,251 256,261,851	22.638,962 620,413.687	5,634,572 892,745,104
(FEDERAL REVENUE SHARING FUND—CASH) 8		-	(231,400,000)	(226,400,000)
Special	Funds			
PRIOR YEAR RESOURCES	4	\$266,829,264	\$421,916.560	\$388,752.085
CURRENT INCOME (Revenue and Transfers)	2	1,502.160,382	1,692,212.005	1.689,177,361
Total Available		\$1.768.989,646	\$2,114,128.565	\$2.077,929,446
EXPENDITURES State Operations Capital Outlay Local Assistance	3 3 3	\$398,412,203 221,312,292 727,348,591	\$461,740.926 476,599,130 787,036,424	\$540.384.595 481.589.715 822,179.937
Total Expenditures	3	\$1.347,073.086	\$1.725.376.480	\$1.844.154.247
ENDING RESOURCES Reserve for Uncanumbered Balances of	4	\$421,916,560	\$388.752.085	\$233,775,199
Reserve for Unricumbered Balances of Continuing Appropriations Unrestricted Surplus	4	171.129.123 250,787,437	137,738.645 251,013,440	108,279,014 125,496,185

1 The General Budget Summary includes the revenues and expenditures of all state funds and activities that reflect the cost of state government. The transactions involving hond funds, and other nongovernmental cost funds are excluded.

2 Yearend surplus and reserves reported by the State Controller for the 1970-71 fiscal year were \$195.866.665. Additional prior year adjustments of \$36,951.279 have increased that total to \$232,817.944.

3 Income for the General Fund includes revenues which were originally deposited in a special fund and subsequently transferred to the General Fund, and transfers of surplus from special funds. Such amounts are reduced from special fund revenues.

4 Expenditures from the General Fund include amounts transferred to special funds and expenditures from special funds are reduced by a like amount.

5 Chapter 571 Statutes of 1970 requires the State Controller to reduce the Ending Resources by a Reserve for Working Capital

5 Chapter 571, Statutes of 1970, requires the State Controller to reduce the Ending Resources by a Reserve for Working Capital beginning with the 1969-70 fiscal year. This reserve, in effect, limits the unrestricted surplus to the actual cash balance at the end of the fiscal year.

end of the fiscal year.

6 This amount is composed of the following chapters: 1358 (\$49,000), 1430 (\$33,600), 1365 (\$65,000), 1368 (\$167,000), 1258 (\$1,000,000), 1413 (\$275,000), 1354 (\$100,000), 1376 (\$50,000), 1440 (\$165,000), 1339 (\$361,000), and 1155 (\$76,820).

7 This amount is composed of the following chapters: 1358 (\$118,600), 1236 (\$50,000), 1430 (\$82,200), 1365 (\$262,800), 1437 (\$200,000), 1368 (\$334,000), 1438 (\$277,000), 1226 (\$361,000), 1258 \$4,000,000), 1413 (\$1,098,000), 1334 (-\$2,000,000), 1263 and 1192 (\$60,000), 1376 (\$50,000), 1440 (\$165,000) and 1339 (\$361,000).

8 The Federal Revenue Sharing Act of 1972 requires the funds received by each state to be deposited in a trust fund and expended in accordance with state laws. These funds are reserved until appropriated by the Legislature. \$215,000,000 is proposed for expenditure in 1973-74 for local schools.

Schedule 1-A

GENERAL FUND SURPLUS AVAILABLE FOR APPROPRIATION JUNE 30, 1973

Reconciliation of the Changes from the Previous Budget Estimates

1971–72 fiscal year	1972–73 Governor's Budget previous estimate	1973–74 Governor's Budget revised estimate	Adjustment of surplus
Income (revenues and transfers)	\$5,314.645,913	\$5,394,798,300	\$80,152,387
Ontgo: State operations Capital outlay Local assistance	\$1,441,931,004 17,340,954 3,516,689,643	\$1,418,981,430 134,016,775 3,474,277,297	\$22,949,574 -116,675,821 42,412,346
Expenditures	\$4,975,961,601	\$5,027,275,502	-\$51,313,901
Prior Year Surplus Adjustments	\$195,866,665	\$232,817,944	\$36,951,279
1972–73 fiscal year			
Income (revenues and transfers)	\$5,779,856.036	\$6,112,846,456	\$332,990,420
Outgo: State operations Capital outlay Local assistance	\$1,594,435,658 3,632,000 4,059,647,748	$$1,653,540,460 \\ 18,268,719 \\ 3,993,665,950$	-\$59,104,802 -15,236,719 65,981,798
Expenditures	\$5,657.115,406	\$5,665,475,129	-\$8,359,723
Reserve in accordance with Chapter 1, Statutes of 1971, 1st E.S Reserve for unencumbered balances of continuing appropriations Reserve for working capital	\$150,000,000 \$1,322,461 \$348,081,000	\$22,638,962 \$402,317,000	\$150,000,000 -\$21,316,501 -\$54,236,000
EFFECT OF REVISED ESTIMATES AS REPORTED IN THE	1973-74 GOVERNOR'S	BUDGET	\$464,867,961
GENERAL FUND SURPLUS AVAILABLE FOR APPROPRIAT 1972-73 bidget		estimated in the	\$157,888,146
GENERAL FUND SURPLUS AVAILABLE FOR APPROPRIAT 1973-74 budget	HON, June 30, 1973, as	estimated in the	\$622,756,107

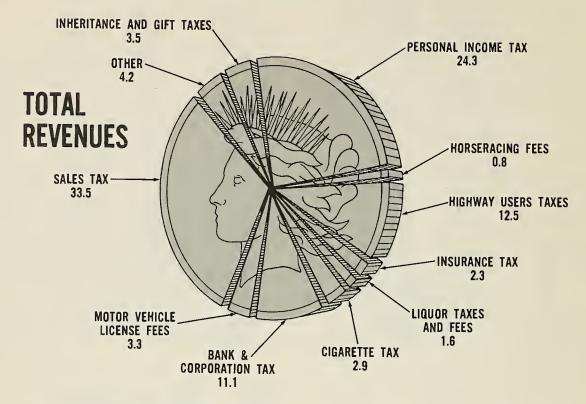
Schedule 1-B
GENERAL FUND
STATEMENT OF FINANCIAL CONDITION
June 30, 1972

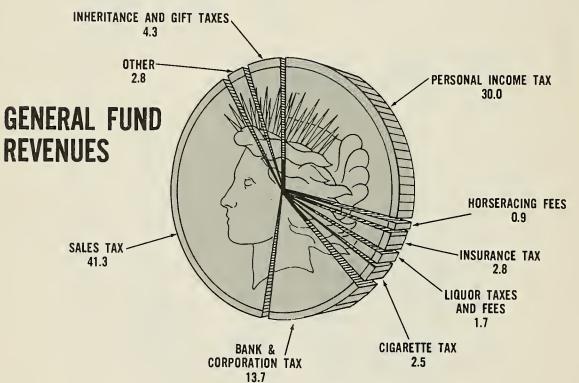
\$264,062,193	11,649,052 \$275,711,245 \$4,265,077			\$600,340,742 \$880,317,064	\$2,566,525,000 918,880,860 \$3,485,405,860
\$115,354,057 147,565,109 1,143,027	\$4,034,625 \$4,289,352 5,325,877		\$309,392,640 \$34,686,251 256,261,851		\$5,372,733,000 -2,806,208,000
Accounts Payable State Operations Local Assistance Capital Outlay	Due to Other Funds		Reserve for Working Capital \$309,392 Unencumbered Balance of Continuing Appropriations 34,686 Unrestricted Surplus	Total Surplus Reserves and SurplusTOTAL LIABILITIES, RESERVES, AND SURPLUS	States Investments in Capital Assets General Obligation Bonds
\$289,786,380	\$535,373,224		\$119,292,088 -119,292,088	\$55,157,460	\$1,597,472,626 3,485,405,860 \$3,485,405,860
\$256,261,851	\$85,972,934 383,256,143 63,980,508 308,587 1,855,052	\$86,417,753 6,995,027 8,494,797 1,591,694 15,792,817	\$44.949.876 8,436,238	1,771,346	
Cash In State Treasury In Agency Accounts Total	Abatements and Reimbursements Revenues Buse from Other Funds Due from Local Governments Other Current Accounts Receivable Total	Accounts Receivable—Deferred Revenue Due from Other Funds Interfund Building Loans Due from Local Governments Other Deferred Accounts Receivable	Less—Reserve for Deferred Accounts Receivable Deferred Charges Advances to Counties for Social Welfare Prepayments to Other Funds	Other Deferred Charges	General Fund Assets Land, Improvements and Equipment Amount to he Provided from Future Revenue and School Districts for Retirement of Long-Term Obligations Total Amount to he Provided

a The data that appears in this statement appears in the report of the State Controller for the year ended on June 30, 1972.

REVENUE DOLLARS

1973-74 FISCAL YEAR





EXPENDITURE DOLLARS

1973-74 FISCAL YEAR

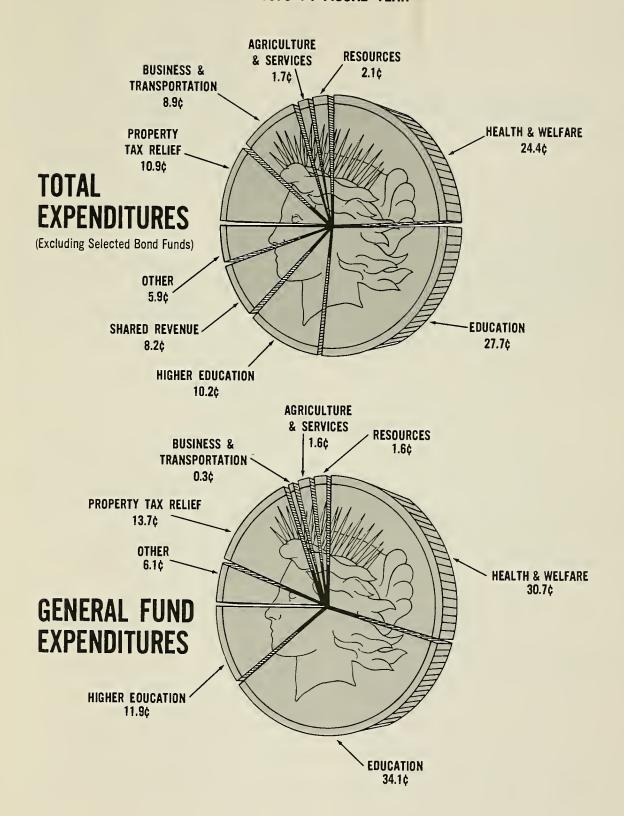


TABLE 1
PERSONNEL MAN-YEARS AND SALARY COST ESTIMATES

	1971-72 Fiscal Year		1972-73	Fiscal Year	1973-74 Fiscal Year	
FUNCTION	Personne	1	Personne		Personne	l
General Government:	man-years	s Cost	man-years	Cost	man-year	s Cost
Legislative	250	\$4,077,498	259	\$4,310,881	256	\$4,383,836
Judicial	790.4	17,952,884	832	19.845.425	829.7	20,107,760
Executive	285.6	3,576,870	310.4	4,075,512	344.5	4,929,818
General administration	6,407.3	69,361,975	7,196.2	82,504,680	7,265	84,030,073
Miscellaneous	38.1	367,131	472.7	2,945,884	462.7	4,934,704
Unallocated salary increase	-	93,881		8,296,625	-	254,464,000
Subtotals, General Government	7,771.4	\$95,430,239	9,070.3	\$121,979,007	9,157.9	\$372,850,191
Agriculture and Services	12,900.9	\$125,888,291	14,255.4	\$146,225.032	14,122.9	\$146,624,630
Business and Transportation	33,948.1	350,978,846	34,514,4	383,069,303	34,511	385,702,661
Resources	10,494	108,925,428	10,622	118,778,789	10,733.7	120,673,275
Health and Welfare	44,362.4	442,367,271	45,641.3	489,252,408	45,260.5	495,223,877
Education:						
Education	2,157.1	23,318,308	$2,\!583.5$	29,207,057	2,627.9	30,160,932
Higher Education	70,278.4	727,711,151	72,498.4	838,521,609	75,997	883,124,467
Totals	181,912.3	\$1,874,619,534	189,185.3	\$2,127,033,205	192,410.9	\$2,434,360,033
CLASSIFICATION						
Constitutional officers and statutory	314.1	\$8,289,769	323	\$8,841,991	321	\$8,814,312
Civil service	110.325.2	1.118,161,068	115,367,1	1.249,051,860	115.090	1.264.932.692
Superior court judges—part salary	445	11,543,230	477	12,832,593	477	13,031,961
Exempt—other	803.1	11,649,698	822.3	12,918,197	836	13,506,592
Exempt—Higher Education: University of California						
University of California	40,479.5	407,628,289	40,096	459,942,295	42,700	490,878,724
Auxiliary facilities—University of						
California	1,769.1	11,676,060	1,857.9	13,181,800	1,872.9	13,288,226
Hastings College of Law	115.6	1,641,756	141	2,019,010	151	2,138,634
State colleges and trustees	26,904.6	295.046,760	29,223.8	349,539,892	30,189	364,142,691
Other state college facilities	756.1	8,889.023	877.2	10,108,942	774	9,162,201
Unallocated salary increase		93,881		8,296,625		254,464,000
Totals	181,912.3	\$1,874,619,534	189,185.3	\$2,127,033,205	192,410.9	\$2,434,360,033



General Government

Tax Relief

Chapter 1406, Statutes of 1972 (SB 90), was enacted late in the 1972 Legislative Session culminating long efforts by the Administration and the leadership of the Legislature to achieve significant property tax relief. The first steps in establishing a program began in 1967 with the senior citizens' property tax relief program. Homeowners' property tax relief and personal property tax relief were added in 1968. State financing was begun to reimburse local government for losses incurred under the open space program (Williamson Land Conservation Act). Most recently, a program of tax relief for renters was enacted in 1972.

These programs represent a broad-based effort to provide meaningful property tax relief. Expenditures, in terms of both direct payments to individuals and payments to local jurisdictions to replace tax loss, increased significantly as a result of Chapter 1, Statutes of 1971, First Extraordinary Session. Major changes were made to these programs by Chapter 1406, Statutes of 1972, along with new features of tax rate and revenue controls on cities, counties, school districts and special districts. A full description of these changes is included in the discussion of the revenue estimates.

The following is a short discussion of each of the property tax relief programs:

Scnior Citizens' Property Tax Relief

This budget provides \$62 million for senior citizens'

property tax relief.

The Senior Citizens' Property Tax Assistance Program, which is administered by the Franchise Tax Board, was substantially modified by Chapter 1, Statutes of 1971, First Extraordinary Session. That measure provided a substantial increase in the amount of money available for refunds, increased the household income limitations from \$3,350 to \$10,000 annually, raised the assessed value limitation amount from \$5,000 to \$7,500 and reduced the age of eligibility from 65 to 62 years.

In addition, Chapter 917, Statutes of 1972, Regular Session, revised the assistance schedule for households with an annual income of less than \$5,800 by increasing the number of income brackets and the applicable assistance factors. These changes increased property tax assistance at the lower income levels and Chapter 1230, Statutes of 1972, was enacted to provide an additional \$6 million for the program.

Although no direct change to this program was made by Chapter 1406, Statutes of 1972, the significant increases in the homeowners' property tax exemption will reduce the property tax liability of senior citizens in future years.

Homeowners' Property Tax Relief

This budget provides \$647.2 million for homeowners' property tax relief in 1973-74.

A substantial increase in the Homeowners' Property Tax Relief Program was effected by Chapter 1406, Statutes of 1972 (SB 90). The property tax exemption for homeowners was increased from the present \$750 to \$1,750. In addition, the measure extended the provisions of the program to include multiple-dwelling units which are occupied by owners as their principal place of residence.

Personal Property Tax Relief

This budget provides \$208 million for personal property tax relief in 1973-74.

Chapter 1406, Statutes of 1972 (SB 90), increased the tax exemption applicable to business inventories from the present 30 percent of the assessed value to 45 percent in 1973–74 and to 50 percent in 1974–75 and subsequent years.

Tax Relief for Renters

This budget reflects the provision of some \$110 million in tax relief for renters.

This program was enacted by Chapter 1406, Statutes of 1972 (SB 90) to provide some measure of tax relief to the non-homeowners. Under this program renters will receive an income tax credit of \$25 to \$45,

depending upon their adjusted gross income or a refund if the credit exceeds the amount of their income tax liability.

Open Space Assistance

This budget provides \$22 million in 1973-74 to reimburse local government for losses incurred under the Open Space Program (Williamson Land Conservation Act).

The state's open space program was enacted to give local government the means to adopt land use policies to preserve prime agricultural land and to provide adequate open space. State reimbursements are provided to local government and school districts to assist them in financing the revenues lost because of the placement of land in the open space program.

Chapter 1406, Statutes of 1972 (SB 90) increased the amount of state funds for this program to \$22 million in 1973-74.

Office of Emergency Services

The Office of Emergency Services is responsible for coordination of emergency activities to mitigate the effects of natural, manmade, or war-caused emergencies which imperil life, property, and resources within the state.

As California is a large, dynamic state, the potential for disaster is great. California ranks among the leaders in the nation in the amount of federal money expended for declared major disasters. This office acts as the conduit for the federal assistance through natural disaster grants and federal agency support. Support in the area of federal aid for disaster assistance is anticipated to be in the amount of \$20,500,000 for 1973–74.

Passage of Chapter 780, Statutes of 1972, will require OES to designate territories where death or personal injury could occur as a result of a dam failure and review inundation maps and emergency evacuation procedures submitted by local agencies.

A significant improvement in the statewide emergency communications system is proposed to enable the law enforcement agencies within the state to provide interdepartmental communications during law enforcement and other emergencies. Funding for the upgrading of the communications network will be based upon 25% state funds and a 75% federal LEAA grant.

Boord of Equalization

Chapter 1406, Statutes of 1972 (Senate Bill 90) increased the state sales tax rate from the present 3\frac{3}{4} percent to 4\frac{3}{4} percent effective June 1, 1973. No change was made in the local 1\frac{1}{4} percent rate. The General Fund revenue increase will provide about \$51 million to the General Fund in 1972–73 and approximately \$623 million in 1973–74 to help finance the tax relief provisions of Chapter 1406.

Chapter 1406 provided \$50,000 to the Board in the current year for the cost of administering its portion of the tax revisions. A similar amount is provided for the Board in the 1973–74 fiscal year.

Chapter 563, Statutes of 1972, repeals the Motor Vehicle Transportation License Tax, effective June 30, 1973. During 1973-74 significant resources will continue to be needed by the Board to phase out the

program. Thereafter, the program will be terminated.

The number of audit positions in the sales and use tax program is being increased in 1973-74 to bring audit coverage to the level considered necessary to adequately protect sales tax revenue.

Department of Justice

The Department of Justice, through the constitutional office of the Attorney General, has the responsibility to insure the uniform interpretation and enforcement of laws, and to represent the state in civil and criminal proceedings.

The department's General Fund budget is proposed at \$31,106,449, an increase of approximately \$3,760,000 from the amount authorized for 1972–73 programs. A substantial portion of the increase reflects the transfer of the Criminal Justice Information System and Organized Crime Programs from federal to state funding. Significant increases are also proposed, however, for criminal writs and appeals, staff support and various programs within the Law Enforcement Division.

Chapter 98, Statutes of 1972, transferred operational responsibility of the AUTO-STATIS Program from the Department of California Highway Patrol. The transfer will increase Department of Justice expenditures from the Motor Vehicle Account in the State Transportation Fund by approximately \$500,000 in 1973-74.

Colifornia Council on Criminol Justice

The California Council on Criminal Justice is charged with improving the state's criminal justice system. This objective is achieved through development of statewide priorities for criminal justice improvement projects. The council then allocates state and federal funds to implement and fulfill meritorious projects. The council also has the responsibility to monitor and evaluate the project which it funds.

The budget for the council proposes a moderate increase in staff, and continues approximately the same funding level for the grant award program as in 1972–73. An estimated \$4,550,000 will be expended from the General Fund as the state's cash-match contribution for federal grants received under the Omnibus Crime Control and Safe Streets Act of 1968.

Public Utilities Commission

The Public Utilities Commission is responsible for the regulation of privately owned public utilities such as truck, bus and airline companies, gas companies and warehouse companies. The commission's primary objective is to insure adequate facilities and services for the public at reasonable, equitable rates.

The Legislature, in establishing the Bay Area Rapid Transit District (BART) directed the commission to exercise safety surveillance over its operations. Accordingly, the commission has monitored BARTS' operations (which began revenue service in September 1972) and has imposed operating rules on the system.

In addition, highway railroad crossing safety is a major responsibility of the commission which administer three funds established by the Legislature. The Crossing Protection Fund, The Crossing and Maintenance Fund, and the Grade Separation Fund, from which fund allocations are made to cities and counties

to construct and maintain grade crossing protection devices (signals and crossing gates) and grade crossing elimination projects (overpasses and underpasses).

Commission on California State Government Organization and Economy

The Commission has statutory authority to make studies and recommendations for the purpose of furthering economy and improving the organization of state government. Staff work for the Commission has been done by agency personnel on loan to the Commission. This arrangement has often resulted in unsatisfactory deployment of personnel. The 1973–74 budget contains funds for consulting and professional services to allow the Commission greater flexibility in securing staff services.

The Military Department

The Military Department is responsible for organizing and directing the activities of the California National Guard which is composed of 241 Army and Air units located in 112 California communities. This force is available to the Governor for Military support of civil authority anywhere in California in the event of natural or war caused disasters, civil dis-

turbances or other emergencies.

The California National Guard has suffered major losses of weapons, ammunition and other sensitive items in the past year. This budget provides funds to improve the security at our installations through employment of a minimum security patrol at two air bases and by modifying arms and ammunition vaults, supply rooms, security lighting and security fencing. Increased security demands plus additional training and tactical equipment has resulted in shifting funds to accommodate increased utility and operating expenses. The 1973–74 budget recognizes the need to fund these additional maintenance and utility costs.

Week-end and annual training is required for National Guard armor and artillery units. Fort Irwin, a previously inactive Federal Military installation has such facilities and there are no alternate facilities in California. Fort Irwin was licensed to the state during the current year with federal funding provided to the state for the operation and maintenance of the facilities. It is proposed that the State continue this license in the budget year.

Department of Finance

The Director of Finance serves as the Governor's chief adviser in fiscal policy matters. It is necessary to obtain through him and the Governor's Cabinet guidance on matters of financial policy. This role is carried out through four programs:

1. Preparation and enactment of the annual finan-

cial plan;

2. Support and direction of the annual financial plan;

3. Assessment and optimization of state administered and state financed programs;

4. Development of supportive data.

It is through these programs that the Department of Finance will continue to emphasize projects which help to control and streamline high expenditure areas.

The EDP Control Division created in FY 72-73 has developed a plan for EDP consolidation which was approved by the Administration. That plan was the subject of 2 pieces of legislation which created five new Consolidated Data Centers. They are currently under development with each at a different stage of implementation.

This Division will continue to coordinate the State's use of its computing capabilities to insure efficient and

effective utilization of this expensive resource.

The programming and implementation of the bulk of the Budget Data System will be accomplished during the current and budget years, and the display of much of the budget data for these years will be available in January 1973.

Salary Increase

This budget contains \$165,701,000 of General Fund and \$60,342,000 of special funds for employee salary increases. Of the total amount proposed, the University of California would receive \$30,690,000 and the State University and Colleges \$34,260,000. The remaining \$161,093,000 would be for state employees, including statutory, other than those in the University of California and the State University and Colleges. The various salary-setting authorities will determine in what manner the funds allocated to them will be applied. Included is \$600,000.

Funds are included to reflect the judicial salary increase provided for in Government Code Section 68203. This change, estimated at 3.5265% is effective

September 1, 1973.





Agriculture and Services

Departments within this area are a grouping of diverse, independent and complex programs. They are primarily concerned with: promoting, protecting and developing agriculture; protection of consumers; selected programs involving central administrative operations of the state such as Franchise Tax Board, Personnel Board and General Services.

Department of General Services

For the 1973-74 fiscal year, the Department of General Services proposes to substantially reduce its General Fund support by placing several activities, which are currently supported by the General Fund, on a reimbursable basis. These services include purchasing and procurement, management assistance studies, paperwork management, records storage, legal services, and insurance services.

The general fund support for the department will be reduced from \$5,875,000 in 1972-73 to \$3,563,000 in 1973-74.

This reduction is made possible through the specific identification of the services provided to individual client agencies and through analysis of the costs of providing the services. This change is one part of the overall attempt of the department to provide quality services in a timely manner, which are competitively priced with alternate sources of supply of the services, to its clients agencies.

Public Employees Retirement System

Chapter 767, Statutes of 1972, will increase the ordinary Disability Retirement allowance formula to 90 percent of the 1/50th formula, or 1.8 percent per year of service credit for miscellaneous members. The enactment of Chapter 907, Statutes of 1972, increased the employer contribution toward the cost of health insurance from \$14 to \$16 effective August 1972. This increase was previously scheduled, by statute, to bccome effective July 1973.

Other legislation passed during the 1972 session included Chapter 1098 which establishes a single state safety member category other than the highway patrol, and Chapter 1305 which withdraws safety members of the Departments of Corrections and Youth Authority from social security coverage.

Franchise Tax Board

The enactment of Chapter 1, Statutes of 1971, First Extraordinary Session established a system of personal income tax withholding and quarterly estimated tax payments which changed the emphasis of the income tax effort from verification and cashiering to verification and refunds. The changes resulting from that measure involved substantial additional workload in the number of returns filed and a significant expansion of mathematical verification activities since all returns filed are verified for mathematical accuracy by data processing equipment. During the past year the organizational and managerial changes required to achieve the program objectives intended by the Legislature have been implemented.

Activities associated with the administration of senior citizen property tax assistance were also expanded because of the revised eligibility criteria

established for the program.

Some additional changes to programs are anticipated because of the enactment of Chapter 1406, Statutes of 1972. That measure provides tax relief to renters through their personal income tax returns which will require the assumption of a new function within that program. Some changes may also be required because of increases in the tax rates for corporations.

State Teachers' Retirement System

Enactment of Chapters 239, 361 and 878, Statutes of 1972, provided members of the Los Angeles Unified Local System, the Los Angeles Community College System, and teacher members of the San Francisco City and County System with the option to clect total membership in the local system or in the State Teachers' Retirement System. On June 14, 1972, both Los Angeles systems elected to abolish their local system and merge with the state system. This action added approximately 35,000 teachers as full members to the

Teachers' Retirement System. Members of the San Francisco system will hold an election prior to Feb-

ruary 15, 1973.

With the enactment of Chapter 1305, Statutes of 1971, effective July 1, 1972, a substantial increase in member benefits is provided as well as a complete revision of the funding structure. On July 1, 1972, all teachers regardless of age or sex began contributing a uniform 8 percent of compensation to the Teachers' Retirement Fund. The local school districts will contribute up to 8 percent of payroll by July 1978 to pay for the employers share of the cost of current retirement service credit. The State General Fund will annually contribute \$135 million for 30 years to cover unfunded costs of benefits in force on June 30, 1972. In addition, the system increased its net average rate of return on its investment portfolio from a previous nct average rate of 5.74 percent to 6.01 percent during the 1971-72 fiscal year.

Department of Consumer Affairs

The Governor's Reorganization Plan No. 1 of 1970 transferred the Healing Arts Boards within the Department of Consumer Affairs to the new Department of Health, Transfer of these boards, originally scheduled for July 1, 1972, was deferred by Chapter 1271, Statutes of 1971, and rescheduled effective July 1, 1973. The only board in this organizational unit not effected by the transfer is Guide Dogs for the Blind. Additional personnel from the Divisions of Administration and Investigation were also transferred to the Department of Health for support services to the healing arts boards. The display for the Department of Consumer Affairs includes the budgets for the healing arts boards in the past and current years and for the 1973-74 fiscal year they are included with the Department of Health.

The budget for the Bureau of Automotive Repair is being presented for the first time. This bureau was created by legislation in 1971 and has the responsibility of overseeing the regulation of the industry and reducing consumer complaints in the areas of automotive repairs, lamp and brake adjustments and the installation of pollution control devices.

State Fire Marshal

Chapter 758, Statutes of 1972, require the State Fire Marshal's Office to gather statistical data on all fires occurring within the state by January 1, 1974. The initial study for the development of a system to collect and analyze this data was begun in the 1972–73 fiscal year with expectations that the system will be fully operative by the January, 1974 deadline.

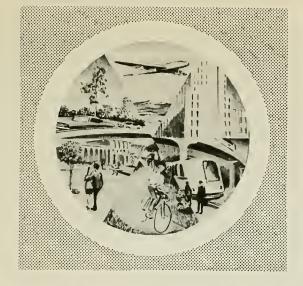
State Personnel Board

The Welfare Reform Act of 1971 gave the State Personnel Board responsibility for administering a \$7 million program to expand opportunities for welfare recipients in the field of public employment. The program is being continued with an additional \$7 million included in the 1973–74 budget within the Career Opportunity Development Program.

Department of Food and Agriculture

The role of the Department of Food and Agriculture is to promote, protect and further the economy of the state's agri-business industry to the fullest extent commensurate with the public welfare. In 1973–74, the department will continue its programs which include active leadership to insure that agriculture's share of responsibility in the fight against pollution is met.

In addition, the department will continue to solicit industry support of program costs wherever possible, particularly where programs are especially beneficial to industry and only indirectly to the general public.



Business and Transportation

The two broad program areas in this agency represent: (1) the state's interest in promoting a sound financial and business community based on ethical and proven management practices to the end that the economy is healthy and the public is protected from

economic loss and illegal or unethical business practices; and (2) the state's concern with the efficient, rapid and safe movement of people and goods throughout the state.

BUSINESS

EXPENDITURES AND POSITIONS SUMMARY

		Expenditures			Positions	
Department	1972-73	1973-74	Change	1972-73	1973-74	Change
Banking	\$1,707,551	\$1,935,944	+\$228,393	90	99	+9
Corporations	3,419,706	3,693,641	+273,935	269	292	$^{+9}_{+23}$
Insurance	3,286,151	3,845,000	+558,849	283.3	291.5	+8.2
Crime Insurance	8,300	500,000	+491,700	_	_	_
Riot and Civil Disorder Insurance	993,144	1,000,000	+6,856		-	_
Real Estate	4,606,149	4,559,086	-47,063	229	254	$^{+25}_{+1}$
Savings and Loan	3,036,679	3.173.036	+136,357	155	156	+1
Alcoholic Beverage Control	6,856,571	7,089,396	+232.825	437.3	437.3	
Department and Appeals Board	145,884	148,518	+2,634	7	7	_
Housing and Community						
Development	1,391,346	1,680,137	+288,791	161.2	176.5	+15.3
Totals	\$25,451,481	\$27,624,758	+\$2,173,277	1,631.8	1,713.3	+81.5

Increased business activity in the current and past fiscal years and anticipated economic expansion into the budget year have resulted in a corresponding budget increase to meet workload for most of the business regulatory departments.

The number of banking offices licensed by the *State Banking Department* continues to increase. Since 1970 there has been a new upswing in the number of state banks. This trend is expected to continue into 1973–74. There is also an increase in the number of foreign banking corporations operating in this state indicating the growing importance of California as a major international financial center. In order for the State Banking Department to meet its responsibilities, it has been necessary to provide funds in this budget for additional bank examiner personnel.

One of the primary concerns of the *Department of Corporations* is to provide appropriate controls over the solicitation, marketing and sale of securities to California residents. The nature of the securities being offered has become increasingly complex. Such investments as real estate syndications, oil and gas offerings, and cattle and crop syndications have introduced a new sophistication to the securities industry which has materially added to the workload of the department. There has also been an unusual growth in the

credit union and industrial loan industries which are also a regulatory responsibility of the department. To meet this workload 19 new positions are proposed in the budget for 1973–74. In addition, four new positions are proposed to establish a new cooperative program with the Sccurities and Exchange Commission for the periodic examination of mutual funds licensed in California.

The budget for the *Department of Insurance* has been increased by over \$500,000. This increase consists primarily of \$330,000 for the establishment of a more effective licensing and management information system through electronic data processing. The balance of the increase reflects workload increases in insurance rate regulation activities and normal operating expense increases.

One of the principle responsibilities of the *Department of Real Estate* is licensing of real estate salesmen and brokers and the regulation of real estate transactions in order to protect the public. Departmental workload in these activities is generally related to the real estate market. When the economy is rising, real estate transactions increase, and there is a proportionate increase in applications for licenses, subdivision applications and other types of transaction activities. This budget provides a total of 25

new positions which corresponds to the anticipated workload for 1973–74. The total budget for the Department of Real Estate in 1973–74 is down slightly when compared to 1972–73 as a result of a one-time expenditure in the current year for a real estate education and research grant to the University of California.

The 1973-74 budget for the *Department of Savings* and *Loon* provides for one additional legal counsel and a supporting stenographic position due to workload increases in facilities licensing activities. The budget also provides increased funds to facilitate the examination of savings and loan institutions with the aid of electronic computer programs.

A function of the *Department of Housing and Com*munity *Development* is to regulate the construction of mobilehomes and provide primary enforcement of regulations governing the construction and operation of mobilehome parks. The mobilehome industry has been one of the fastest growing industries in California and the nation. Recent studies performed by the department indicate that an increased enforcement effort is needed to keep pace with this expanding industry. The Department of Housing and Community Development budget therefore provides for 27 new positions in the current year and an additional 18.5 positions for 1973–74 to meet the inspection and enforcement workload. The cost of this program is recovered through license and inspection fees.

The Deportment of Alcoholic Beverage Control is budgeted at the same program level as provided in 1972-73. Totals have been increased slightly to reflect price changes and merit salary adjustments for em-

ployees.

TRANSPORTATION

EXPENDITURES AND POSITIONS SUMMARY

		Expenditures			Positions	
Department	1972-73	1973-74	Change	1972-73	1973-74	Change
Aeronautics a	\$3,841,463	\$3,454,068	-\$387,395	22.9	24.9	+2
Department of Transportation	_	5,000,000	+5,000.000	_	_	_
Highway Patrol b	144.076,332	147.558.796	+3,482,464	8,020.1	8,113.6	+93.5
Motor Vehicles b	83.022,852	85.782,101	+2,759,249	6,647.1	6.828.2	+181.1
Office of Traffic Safety	623,962	669,646	+45,684	29.7	29	-0.7
Office of Transportation Planning						
and Research	316,490	497.021	+180.531	11	21	+10
Public Works a b 1.0	098.572.472	968,229,315	-130.343.157	18,150.8	17,780	-370.8
Total \$1.3	330.453,571	\$1,211,190,947	-\$119,262,624	32,881.6	32.796.7	-84.9

Department of Transportation

At the close of the 1972 legislative session the Legislature passed AB 69 (Chapter 1253/72) which cousolidates the departments of Public Works, Aeronautics, and the Office of Transportation Planning and Research into a new Department of Transportation. This legislation, which is effective July 1, 1973, also provides for the establishment of a comprehensive multimodal transportation planning process which involves all levels of government and the private sector in a cooperative process to develop coordinated transportation plaus. Due to the late enactment of this legislation, in relation to the development of the 1973-74 Governor's Budget, it was not possible to include a detailed expenditure plan in this budget document. This budget, however, does set aside \$5,000,000 from the General Fund for support of those transportation activities authorized in AB 69 which cannot be legally supported from restricted highway and aeronautics revenues. Budget details for this expenditure will be submitted early in the 1973 session.

Department of Public Works

Although California's population growth rate has diminished somewhat from previous years, the need for additional transportation facilities continues to intensify. The public's desire for greater mobility is reflected in the trend toward more vehicles per person and increased motor vehicle usage as indicated by fuel consumption trends.

This demand for greater mobility plus other factors, such as increased reliance ou trucks for movement of goods, has caused highway needs to increase more rapidly than funds for construction have become available. Despite improvement expenditures of approximately \$700 million during 1971–72 by the Department of Public Works, the department's estimate of improvements needed has riscu from \$8,099,000,000 last year to \$9,377,000,000 at present.

In contrast to the rising needs, revenues have declined sharply. Revenues for the state highway program in 1973–74 are down some 6 percent from 1972–73. Lower federal-aid apportionments and repeal of the Motor Vehicle Transportation License Tax are the primary factors causing this decline. In view of the tremendous need for new services and the declining revenues, the department has placed heavy emphasis on analysis leading to the development of a funding level mix which will return the greatest possible yield of highway service benefits.

As in the past, the 1973-74 proposal places heaviest emphasis on providing greater mobility through the New Roadway Construction Program. This is the area where needs are the greatest. Approximately \$563.000,000 of the total \$968.000,000 budgeted for 1973-74 will go for this purpose. Benefits expected from new construction projects to be started during the 1973-74 roadway program include an estimated 55 billion vehicle miles of improved service, 560 lives saved, 17,500 injuries prevented, 177 million hours of

a Includes local assistance.

b Includes capital outlay.

time saved and \$79,000,000 in savings because of accidents prevented. These benefits will accrue over a period of 20 years which is the estimated life span of an average roadway construction project.

Proposed 1973-74 expenditures for the highway maintenance program total \$122,000,000, up approximately \$10,000,000 from 1972-73 and \$16,000,000 from 1971-72. Although inventories have increased approximately 10 percent, man-years have been held almost level through use of a maintenance management system. The main reasons for the increased expenditures are upward salary adjustments and other rises in the cost of doing maintenance work.

The 1973-74 safety improvement program, which is budgeted at \$34,000,000, is expected to return benefits including 4.180 accidents prevented, 2,400 injuries prevented and 100 lives saved. The projects which are included in this program generally return safety savings to the public that total more than 200 percent of their initial eost.

The new construction-toll bridge program is proposed at \$20.4 million, up \$16 million from 1972-73. The reason for the increase is the passage of Chapter 492, Statutes of 1972, authorizing reconstruction of the Dumbarton Bridge. The new structure will contribute to greater service by providing two additional traffic lanes plus wider shoulders and a bicycle path.

Expenditures proposed for the 1973-74 general support eategory of programs total \$52,000,000. The department's policy is to finance the service type programs included in this eategory at the lowest levels which will provide adequate support for the other programs.

In July when the new Department of Transportation is established, the state highway program will become a part of that department.

Department of Aeronautics

Pursuant to Chapter 1253, Statutes of 1972, the Department of Aeronauties will be incorporated into the new Department of Transportation. Consequently, when the budget for the Department of Transportation is submitted to the Legislature it will contain slight modifications to the Department of Aeronautics budget as presented here. It is not anticipated, however, that there will be major changes in the aeronauties programs as presently constituted. The principal benefit of this integration into the Department of Transportation will be an improvement in the overall transportation planning process and the recognition of airport needs in that process.

The total budget for the aeronautics program for 1973-74 will be approximately \$3.2 million with \$2.8 million set aside for airport facilities development and construction.

The Office of Transportation Planning and Research

The office is presently directing two major multimodal transportation studies of statewide significance. The 1974 National Transportation Study will assist in the early adoption of state and regional transportation plans as well as aid in the development of program recommendations for state transportation expenditures. The study will produce updated and refined short and long-range transportation plans and improvement programs for 1980 and 1990 and will provide the state with a complete picture of its total transportation system. The study is a cooperative effort by transportation planning bodies at all levels of government, with participation by transit districts, cities, counties, state departments and federal agencies associated with transportation.

The second transportation study which the office is coordinating, is the Saeramento-Stockton-San Franeisco Bay Area Corridor Study. This study, given a high priority by the Administration, Legislature, and U.S. Department of Transportation, will analyze the existing problems of the corridor; identify future years travel demands; select transportation alternatives to serve the identified demands, perform a tradeoff evaluation of the alternatives from an economie, social and environmental point of view; and develop short-range and long-range transportation plans for the corridor. It will take approximately two years to produce the plan.

Funding for both of the above studies will be derived from the federal government, state departments and regional planning agencies. It is expected that both of these studies will be continued by the new Department of Transportation.

Office of Traffic Safety

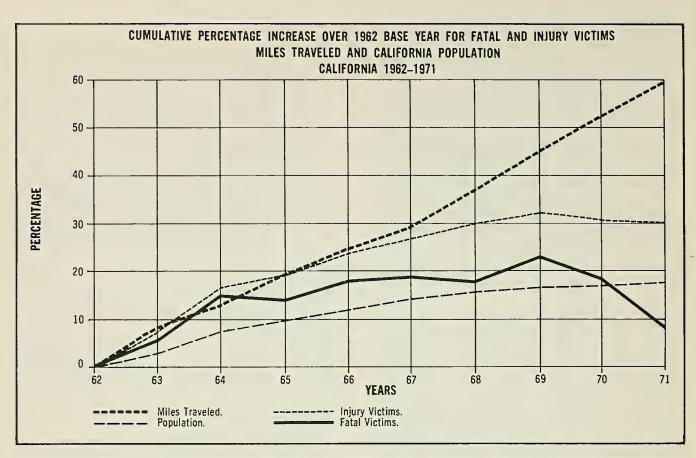
The Office of Traffic Safety provides leadership. planning and guidance to achieve a coordinated and effective attack on the problem of traffic safety. This office, which is fully reimbursed from federal funds annually updates a comprehensive statewide plan to eoordinate the activities of approximately 3100 public and private agencies involved in traffic safety. The office also reviews and approves the National Highway Safety Aet project grants to state, local and private agencies in California. These grants currently total \$6.7 million per year.

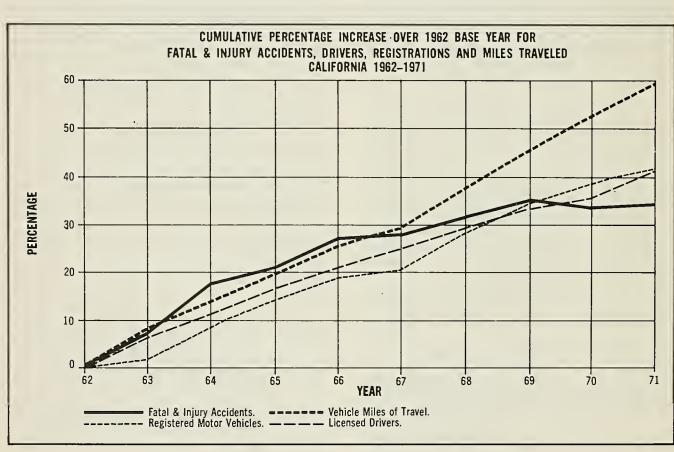
The overall traffic safety program in California is proving to be effective. Statisties indicate that California's mileage death rate is showing steady improvement. Compared to the national average, California not only has fewer deaths for each 100 million vehicle miles of travel, but the mileage death rate is decreasing more rapidly than that of the national average. If the California rate equalled the national rate, California would have experienced over 1,000 more fatalities last year.

California's favorable traffie safety trend as indi-

cated in the following charts, is the result of: (1) increased freeway construction and increased miles of travel on the freeways, with a corresponding reduction in conventional highway (nonfreeway) miles, (2) increased use of improved median barriers, guardrails, and signs and lamp posts of breakaway design, (3) increased State and local traffic enforcement (ineluding increased apprehension of drinking drivers), (4) use of safety equipment required through the Motor Vehicle Safety Act of 1966 (such as seat belts, shoulder harnesses, eollapsible steering, improved safety glass and vehicle body construction, (5) driver improvement programs, and (6) educational and publie information efforts.

A-19





Department of the California Highway Patrol

The Department of the California Highway Patrol is responsible for assuring the safe, lawful, rapid and economical use of the state highway system. To meet this responsibility, a support budget of over \$144 million along with capital outlay of \$3.3 million for 1973-74 is proposed. Included in this budget are funds for the manning of a new commercial vehicle inspection station at Conejo and for an additional shift at the truck weighing station at Peralta. Additional positions have also been added to provide radio dispatcher services for the expanding Los Angeles freeway telephone system. Federal funds have been included for a one-year pilot program that will provide ambulance service in remote areas by assigning specially equipped, dual purpose vehicles to replace the normal patrol in these areas.

Pursuant to recommendations contained in the California Vehicle Theft Study which was authorized by the Legislature in 1970, the department's vehicle theft program will be expanded. This study recommended that the department develop a program to coordinate and assist local law enforcement agencies in the investigation of interjurisdictional thefts, inspect revived salvage and certain nonresident vehicles prior to their registration in California, inspect certain business establishments for stolen vehicles and stolen parts, and establish a vehicle theft information system to provide information for other agencies. It is anticipated that the additional costs will be reimbursed by federal funds.

The department's capital outlay budget includes funds for construction of new field office facilities at West Valley, Fairfield, Ventura and El Cajon. Funds are also provided to acquire a site for a new field office near Interstate 5 in western Kern County and to purchase facilities presently being leased in Bakersfield, Oroville, Quincy, and Red Bluff.

Department of Motor Vehicles

It is estimated that the Department of Motor Vehicles will register and collect fees on 15,884,000 vehicles and maintain the records on 13,339,000 outstanding drivers licenses, including the processing of 740,000 original licenses and 3,473,000 renewal licenses during the budget year. These major workload indicators reflect an estimated 4.2 percent increase in vehicle registration and an estimated 3.48 percent increase in drivers licenses outstanding in the budget year over the current year. The total number of small boats registered by the department is estimated to be 434,000 in the budget year, an increase over the current year of 0.7 percent.

To support these major workload changes, the manyear estimates for the current year and budget year have been developed to maintain the level of service authorized in the 1972–73 final budget. In addition to the normal workload positions, the budget provides additional personnel to:

1. Provide for administrative hearings when required before seizure and lien sale of a vehicle by the department for nonpayment of license fees;

2. Improve compliance with trailer coach registration requirements;

3. Instruct applicants for dealers and dismantlers licenses on departmental requirements; and

4. Provide increased field enforcement to prevent the sale of stolen automobiles and automobile parts. The net personnel increase for this department over the current year is 181.1 man-years.

In the capital outlay budget, funds are included for the construction of new Department of Motor Vehicles field offices at Chula Vista, Sacramento's south area, Costa Mesa, Merced, Modesto, and Santa Clara. The budget also provides money for the acquisition of land for new offices needed to provide better service in the communities of Oxnard, Placerville, the north metropolitan area of San Diego, and San Fernando.

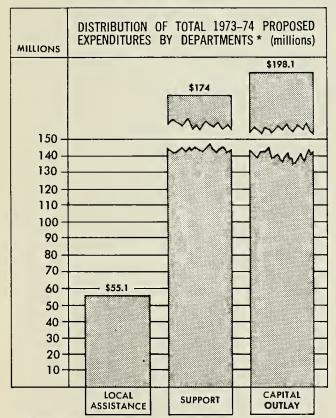




Resources

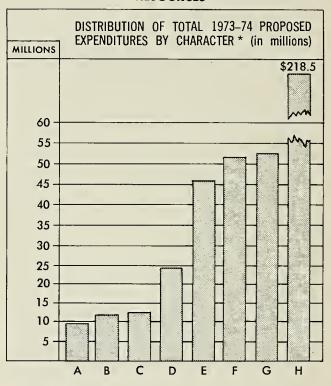
These programs are directly concerned with protecting, preserving, enhancing and developing, for the benefit of all Californians, the state's environmental wealth. Programs funded by the state range from those designed to attain and maintain desirable standards of air and water purity, to forest firefighting, flood control, water development and the creation of recreational opportunities.

RESOURCES



 * All funds including General Fund, special funds, and bond funds.

RESOURCES



- A. OTHER \$9.9
- B. AIR RESOURCES BOARD \$11.8
- C. NAVIGATION AND OCEAN DEVELOPMENT \$12.3
- D. FISH AND GAME \$24.6
- E. WATER RESOURCES CONTROL BOARD \$45.8
- F. PARKS AND RECREATION \$51.6
- G. CONSERVATION \$52.7
- H. WATER RESOURCES \$218.5

^{*} All funds including General Fund, special funds, and bond funds.

RESOURCES AGENCY

The Resources Agency, under the direction of the Resources Secretary, is composed of the Departments of Water Resources, Parks and Recreation, Conservation, Fish and Game, Navigation and Ocean Development, the Air Resources Board, the State Water Resources Control Board, the Reclamation Board and such smaller entities as the San Francisco Bay Conservation and Development Commission, the Colorado River Board, and the Solid Waste Management Board.

A brief description of the Resources Agency activi-

ties follows:

The Secretaries for Resources and Business and Transportation are responsible for developing environmental protection plans for expenditure of the California Environmental Protection Program Funds which are derived from the sale of personalized motor vehicle license plates. The 1973–74 budget proposes the expenditure of some \$2.1 million for environmental protection programs.

Department of Conservation

The department's principal goals are the protection, conservation, and development of California's natural assets—its forests (both commercial timber and wildland), watersheds and rangelands, its mineral deposits, and its soil resources. Protection of life, property and resource values from fire and geologic hazards is stressed.

The Watershed and Fire Protection Program is managed by the Division of Forestry. The program's objective is to protect the private and state-owned watershed lands from fire, insects, disease and misuse by man. The protection of forest, brush and grass wildlands from long-term damage and the achievement of a more intensive and better use of the land and water resources is basic to the continued economic and social utilization of these limited natural resources.

The Geologic Hazards and Mineral Resources Conservation Program is managed by the Division of Mines and Geology. The program objective is to conduct geological investigations to identify and provide timely delineation of geological hazards and to identify, delineate and assist in the ultimate utilization of deposits of mineral raw materials, both onshore and offshore, consistent with wise conservation practices.

The Oil, Gas, and Geothermal Protection Program is managed by the Division of Oil and Gas. The program objective is to prevent waste or damage to the immediate environment and other natural resources, provide for greater ultimate recovery of oil, gas, and geothermal resources, and prevent contamination of

fresh waters penetrated by wells.

The Land Conservation Program is managed by the Division of Resource Conservation. The program objective is to assist local governments in developing plans for conservation of soil and water resources and encourage through the open space subvention program, sufficient open space for the economic and environmental needs of Californians.

The department's budget contains \$52.7 million in state funds for these programs in 1973-74.

During the 1972 session the Legislature enacted Chapter 800 which created the Professional Forester Examining Committee. The law provides for the examining, licensing and regulation of persons who are now practicing or plan to practice the forestry profession. Fees will be charged to fund the administration of the program.

Chapter 1102, Statutes of 1972, requires that written regulations be compiled for the defining of geothermal resources areas. There are at least 16 geothermal resources areas which will require a complete geological review covering field geology, preparation

of maps, compilation of existing data, etc.

The San Fernando earthquake of 1971 created an acute public awareness of the catastrophic potential of strong earth motions. In response to this awareness, the Governor's Earthquake Council was created to study earthquake phenomena. The Division of Mines and Geology is responsible for providing technical and staff assistance to this council. The 1973–74 budget includes three new positions to handle the increased workload related to this program. In addition, \$57,000 is budgeted to fund studies and investigations on a cooperative basis with the California Institute of Technology.

Department of Fish and Game

The objective of the Department of Fish and Game is to insure the perpetuation and enhancement of fish and wildlife for the present and future use and enjoyment of the citizens of the state. In 1973–74, the department proposes a budget of \$24.6 million to accomplish this objective. The department's six programs include enforcement of laws and regulations, wildlife, inland fisheries, anadromous fisheries, marine resources, and environmental services.

The enforcement program accounts for almost onethird of the department's budget. The objective of this program is to insure that the Fish and Game Code is enforced to a degree that will provide for the maximum sustained yield, utilization and enjoyment

of the fish and wildlife resources.

The wildlife management program attempts to perpetuate and conserve wildlife found throughout the state, to maintain optimum breeding stock of our wildlife species and to obtain a maximum harvest of those game species that have an open hunting season. Over five million days of recreation for California hunters are provided by upland game species alone.

The inland fisheries program seeks to provide diversified and satisfactory fishing for California anglers while insuring the perpetuation of the state's native fisheries. Freshwater fishing in California currently sustains about 18,000,000 angler-days annually. To supplement natural fish production, the department operates 23 hatcheries which annually produce almost three and one-half million pounds of fish for stocking purposes.

The anadromous fisheries program deals with the important species of salmon, steelhead, striped bass, shad and sturgeon. These resources support an estimated three million angler-days of recreational fishing annually, while the commercial catch of salmon averages eight million pounds annually.

The marine resources program has as its goal to maintain all species of marine fish and marine wildlife for their intrinsic and ecological values as well as for their direct benefits to man. California now produces about one-tenth of the five billion pounds of commercial fishery products produced by the United States. Marine sport anglers fish more than six million days annually and land over 29 million pounds of fish in California in addition to the commercial catch.

The program of Environmental Services involves the review and study of federal, state, and stateassisted water projects, federal highway projects, and statewide water quality conditions to protect and aug-

ment existing fish and wildlife resources.

The increase in the Department of Fish and Game budget is financed primarily from additional revenues resulting from a license increase enacted at the 1971 legislative session. The increases in this budget follow the recommendations made to the public and to the Legislature at the time the license increase was proposed.

The expenditure of \$120,000 of State Duck Stamp funds is also included in this budget. These funds can be used only for the purpose of protecting and propagating migratory waterfowl and for the preservation of wetlands, of which at least 80 percent shall be allocated for the preservation of habitat in Canada. The two projects in this budget are located in British Columbia and Alberta. These are the first projects proposed to be financed from the State Duck Stamp account.

Twelve additional law enforcement positions are included in this budget to bring the law enforcement function to a level adequate to effectively protect the fish and wildlife resources.

Habitat is the key to maintaining fish and wildlife resources in the State of California. The development that continues to take place in California has a tendency to reduce the available habitat which requires that the remaining habitat be protected and utilized to its full potential. Additional manpower is proposed for field positions to evaluate and develop plans for the maximum protection and utilization of available

An increase in the expenditure of funds is proposed for a study of the Trinity River system to evaluate ways to protect and enhance the anadromous fisheries in this area.

There are indications that the popular shad sport fishery is declining. Funds are proposed in this budget to determine the cause of such decline and to propose appropriate corrective action to maintain this popular sport fishery.

Department of Navigation and Ocean Development

The Department of Navigation and Ocean Development was established to implement state and/or federal acts related to ocean and coastal zone matters and to administer the state's boating safety and boat-

ing facilities development programs.

The objectives of the Department of Navigation and Ocean Development are to develop and improve the waterways and boating facilities of the state, to promote safety of persons and property connected with the operation of vessels on state waters, to license yacht and ship brokers and salesmen, and to conduct a beach erosion program in cooperation with the federal government and agencies of local government.

The boating facilities program comprises over 85 percent of the department's budget. Launching facility grants are proposed at San Leandro (Alameda County), New Hogan Reservoir (Calaveras County), South Lake Tahoe (El Dorado County), Lake Isabella (Kern County), Eagle Lake (Lassen County), Lake Mendocino (Mendocino County), Donner Lake (Nevada County), Lake Almanor (Plumas County), Skinner Lake (Riverside County), Garcia Bend and Miller Park (Sacramento County) and Broderick (Yolo County). Small craft harbor construction loans are planned for Emeryville Marina and San Leandro Marina (Alameda County), Martinez Marina (Contra Costa County), Crescent City Harbor (Del Norte County), Covote Point Marina and Pillar Point Harbor (San Mateo County), Santa Barbara Harbor (Santa Barbara County), and Ventura Harbor. Capital Outlay projects are also proposed for boat-in facilities and peninsula campground area at Folsom Lake, boat-in facilities and Enterprise launching facility at Oroville Lake, boat-in facilities at Perris Reservoir, San Luis Reservoir, and a prototype submerged break-

The boating safety and regulation program promotes uniform enforcement by proposing to provide financial aid to 29 counties and the Department of Parks and Recreation for boating law enforcement. Although boating accidents are decreasing on a per capita basis, education of the boating public on safe boating practices continues through the development and continuous dissemination of boating safety literature, boating safety research, and the coordination of the state's safety and regulation program with organizations concerned with boating safety and enforcement and by providing support for these organizations.

The beach erosion control program proposes \$159,000 to fund the Las Tunas State Beach Erosion

Control Project in Los Angeles County.

The department is also preparing the Marine Transport Terminal and Navigation Plan to be used in the State Transportation Plan to set forth priorities for projects to insure that California's marine transport system is both effective and economically judicious and to cooperate with the federal government and initiate independent studies to enhance marine safety.

Department of Parks and Recreation

The Department of Parks and Recreation budget provides for gross expenditures of \$57 million in 1973-74. Net expenditures are \$51.6 million after deductions of Federal Land and Water Conservation funds and reimbursements.

Principal objectives of the department include:

1. To secure and preserve elements of the state's outstanding landscape, cultural and historical fea-

2. To provide for the meaningful and constructive

use of people's uncommitted time.

3. To help people understand and appreciate, through an interpretive program, the state's cultural, historic and natural heritage.

4. To maintain and where necessary improve the

quality of California's environment.

5. To maintain a statewide recreation plan that includes a continuing analysis of the state's need for recreational areas and facilities, and a recommendation of the levels of public and private responses for meeting this need.

6. To encourage all levels of government and private enterprise throughout the state to participate, whenever feasible, in the development and operation of recreational facilities.

The major activity of the Department of Parks and Recreation is the development and operation of the state park system. It is anticipated that over 43 million people will visit these facilities in 1973–74.

In 1973-74 the department continues the planning and development of recreation facilities at state water projects and the acquisition, planning and development of beach and park units. The former is funded by the Recreation and Fish and Wildlife Enhancement Fund in which the department assumed the responsibility for a \$54 million recreation development program at state water projects. The latter is authorized by the enactment of Chapter 1, Statutes of 1971, First Extraordinary Session which created the Bagley Conservation Fund.

In 1973-74, \$829.661 is proposed for workload increases tied to operation of the state park system. The largest single items in this category provide additional staffing and operating expenses at Seacliff State Beach. San Onofre State Beach and the Santa Cruz Mountains Area.

The 1973-74 capital outlay budget for the department proposes expenditures in excess of \$28.1 million. Over \$10.1 million is proposed from the Bagley Conservation Fund and approximately \$9.8 million from the Recreation and Fish and Wildlife Enhancement Fund. Some of the major areas proposed for development in 1973-74 include Bolsa Chica State Beach, Perris Reservoir, San Onofre State Beach and Silverwood Lake State Recreation Area.

Department of Woter Resources

The primary objective of the 1973-74 expenditure program of the Department of Water Resources continues to be maximum beneficial use of California's water resource consistent with a public concern for the environment.

In addition to the on-going studies of alternative sources of water supplies a new study entitled "More Effective Use of Water" is proposed in 1973-74 at \$112,000.

The department has increased to \$594,000 the amount for identification of ground water resources. This is a 34 percent increase over the 1972-73 expenditure level.

In order to accommodate all of the above-mentioned increases, reductions have been made in the collection of surface water data and in general planning for surface water development.

The construction of the initial phase of the State Water Project will be essentially completed by July 1973. These are the facilities required for initial water deliveries throughout the system; the Feather River area, the San Francisco Bay area, and the Sacramento and San Joaquin Valleys in northern California to Castaic Lake and Lake Perris in southern California.

It is anticipated that the high level of public interest in project facilities for recreation and visitation will continue to increase, particularly in the southern California areas as the project becomes fully operational.

The department will continue to administer the Public Safety and Prevention of Damage program which contributes the state's share of approved flood control projects constructed by the federal government by reimbursing local agencies for acquiring lands, easements, and rights-of-way for these authorized flood control projects. As part of the same program, the department will continue to meet its statutory responsibilities for the safety of dams within the state.

State Woter Resources Control Board

The State Water Resources Control Board is charged with the function of determining the rights to the use of water, so that the limited water resources of the state are wisely used and, with the nine regional water quality control boards, to provide coordinated statewide control of water quality. The three major programs of the board are water quality control, planning and research and water rights.

The 1973-74 proposed support expenditures total almost \$10 million, with an additional \$36 million from the State Clean Water Fund to be paid to local communities to help them construct waste water treatment facilities.

The objective of the water quality control program is to end water pollution and to maintain the highest possible water quality. To work toward this objective the board must formulate water quality control policies, establish and review waste discharge requirements, perform surveillance and enforcement activities, review applications for federal grants and state financial assistance for construction of waste treatment facilities and provide coordination and technical advice on water quality matters.

The planning and research program provides comprehensive long-range planning to better manage the quality of the state's water. The data and information provided by this program is needed to solve the increasingly complex problems of water quality management. It includes the development of basin plans, the coordination of research and technological data, conduct specific studies and investigations, prepare and implement a statewide water quality monitoring information storage and retrieval system.

The objective of the water rights program is to obtain the greatest beneficial use of the waters of the state. It prevents waste or unreasonable use of water by administering the appropriation laws, also gives assistance to the courts in determination of water rights adjudications and maintains a record of water diversions and use throughout the state.

The passage of the Porter-Cologne Water Quality Control Act, Clean Water Bond Law of 1970, and the greatly increased interest and activities of all levels of government, in addition to citizen groups, have greatly expanded the tasks and workload of the board. The Porter-Cologne Water Quality Control Act, which

became operative on January 1, 1970, was the first major overhaul of the state's water quality control law in 20 years and is regarded as the toughest water

quality control act in the nation.

The Clean Water Bond Law of 1970 provided \$250 million of state money as part of a one-billion-dollar federal-state-local program to construct new or improved wastewater treatment and disposal facilities in California over a five-year period. The board has the responsibility for administering this program.

Air Resources Board

The Air Resources Board forms a close partnership with the local air pollution control districts to control air pollution in California. The board controls motor vehicle emissions on a statewide basis and coordinates the state and local programs to control stationary sources of emissions.

California has turned the corner on vehicle pollution; however, more work is needed if the objective of restoring air quality is to be met, particularly with the increase in car population anticipated by 1980. In 1973–74, the board will be monitoring the actual emissions of every car coming off the assembly line for compliance with present standards, with costs to be reimbursed from automobile manufacturers, and will be evaluating more stringent standards for the future.

As the trend of motor vehicle pollution declines, the pollution from industrial emissions and other nonvehicular sources take on greater importance. The control of these sources lies primarily with the local air pollution control districts, with the board having approval jurisdiction over their plans for implementing

the controls. Therefore, effective local programs are important to the partnership to achieve clean air. However, many counties have inadequate tax bases for operation of effective local programs. Thus, \$4.6 million was provided under Chapter 1016, Statutes of 1972 to be used as local assistance on a matching fund basis. This budget includes a like amount for the same purpose in 1973–74.

The air pollution problem remains complex, and certainly not everything is known about its composition. Hence, a research program must continue to study motor vehicle related problems, and also to concentrate on stationary source pollution as this becomes more important in the total pollution picture.

This budget provides \$11.8 million for support of the air pollution control activities of the board, including funds for both continued research into the causes of air pollution and assistance to local air pollution control districts.

Solid Waste Management Board

Chapter 342, Statutes of 1972 created the State Solid Waste Management Board. The basic responsibility of the board is to establish and maintain a comprehensive state solid waste management and resource recovery policy, the objective of which will be to manage solid wastes in this state so as to protect the public health, safety, and well-being, to preserve the environment, and to provide for the maximum reutilization and conversion to other uses of the resources contained therein.

The 1973-74 budget proposes \$315,000 for the support of the board.





Health and Welfare

Responsible for the areas of health, manpower, corrections and welfare, the Health and Welfare Agency provides the basic "people" services of the state.

Fiscal year 1973-74 will see the expenditure of an

Fiscal year 1973-74 will see the expenditure of an estimated \$6.6 billion for these services in combined state, federal and county funds. The continuing emphasis of all the agency programs will be toward placing these services under local control within guidelines established by the respective departments.

This year, too, will see the formation of the new Department of Health, bringing together the operations of the Departments of Public Health, Health Care Services and Mental Hygiene. Under this reorganization many services traditionally fragmented among departments will be brought together into a cohesive effort which will benefit taxpayers in both quality of service and reduced expenditures.

Two new units are also included in the Health and Welfare Agency operational plans for 1973–74. They are the Office of Educational Liaison, dedicated to the planning, development and coordination of programs related to child development and educational activities, and the Consolidated Data Center which will provide centralized information for all departments within the agency and eliminate existing systems overlap and duplication.

TABLE I HEALTH AND WELFARE EXPENDITURE DOLLAR 1973-74 (Thousands) Total All Funds

		cluding f	al)			
	State Ope	rations	Local Assi	stance	Total	
Program Areas	Dollars	Percent	Dollars	Percent	Dollars	Percent
Health	\$95,872	5.8	\$2,405,552	48.5	\$2,501,424	37.9
Manpower	1,320,472	80.9	3,000	0.1	1.323.472	20.2
Correctional	197,548	12.1	27,944	0.6	225,492	3.5
Social Welfare	19,123	1.2	2,514,886	50.8	2,534,009	38.4
Totals	\$1,633,015	100.0	\$4,951,382	100.0	\$6,584,397	100.0

TABLE II HEALTH AND WELFARE EXPENDITURE DOLLAR 1973-74 (Thousands) General Fund

	State Ope	rations	Local Assi	stance	Total	
Program Areas	Dollars	Percent	Dollars	Percent	Dollars	Percent
Health	\$57,558	21.0	\$1,075,129	56.2	\$1,132,687	51.8
Manpower	21,222	7.7	3,000	0.2	24.222	1.2
Correctional	183,208	67.0	27,944	1.5	211.152	9.6
Social Welfare	11,635	4.3	805.534	42.1	817.169	37.4
Totals	\$273,623	100.0	\$1,911,607	100.0	\$2,185,230	100.0

HEALTH PROGRAMS

Department of Health

The Health and Welfare Agency will consolidate three major state departments—Public Health, Mental Hygiene, and Health Care Services—as well as certain related health and service programs in the Departments of Social Welfare and Consumer Affairs into a single Department of Health by July 1, 1973. This consolidation will bring the major elements of all state health and services programs into one organization. The department will organize along four basic program groups and utilize and improve the methods and techniques in these program areas for ensuring statewide quality health care. These program groups are: (1) health treatment; (2) health financing; (3) health protection; and, (4) health quality.

Consolidation of the various state health programs into one department will provide both greater effectiveness in delivery of health programs to the citizens of California and economy in staffing and operating the various programs. Consolidation of the major state health programs into the Department of Health and the subsequent review of all programs will result in savings in state funds through a departmentwide reduction of 600 positions during the 1973–74 fiscal year. In the subsequent year, it is estimated that an additional 400 positions can be eliminated after additional duplicate efforts are identified and departmental administration is further streamlined.

The consolidation will provide specific program improvements such as increased control over health quality through effective standard setting, evaluation, and planning. The long-sought goal of coordinating licensing and certification will be met through the single Department of Health. Comprehensive information on licensing, certification for publicly funded health programs, and practices of all providers of health care services will ensure coordinated government action.

A high level of health quality for both privately and publicly funded health programs will be focused on by: (1) standard setting and review of health care providers; (2) inspections of institutional health providers prior to approving applications for licensing or certification in publicly funded programs; (3) manpower licensing of professional practitioners; and, (4) surveillance of all health care providers not only through review of applications for licensing and certification, but also through improved methods of detection and investigation of institutions and practitioners for misconduct, delivery of substandard quality of care, or fraud of publicly funded programs.

Consolidation will also bring the two major state financed health programs together. The Health Financing Systems of the Department of Health will administer both the Medi-Cal program and the Crippled Children's Services program. The latter maintains casefinding mechanisms to identify children with handicapping conditions and to assure quality medical and related services to correct or ameliorate such handicaps. These programs form the nucleus of the state financed health care delivery system.

Adoption and protective social services are being transferred into the Department of Health from the Department of Social Welfare. These programs which safeguard the young and the aged will be closely coordinated with related health programs and with

the broader licensing activities.

Treatment of the mentally disordered will continue to be a shared responsibility between the State and Community Mental Health Programs. However, the community programs have shown great flexibility and are able to employ effective alternatives to full-time hospitalization in state facilities. The significant trend toward local programs will continue. Since their inception, community programs have reduced patient populations in the state hospitals. Concurrently, agreements were made with local programs to transfer amounts from state hospital funds to local programs for each patient-day not used in state hospitals. This transfer of funds consequently enables improvement in the local mental health programs.

In the Department of Health Medi-Cal program, emphasis will be to seek alternatives to the traditional fee-for-service system as the sole method for the delivery of health care. Recently, several contracts have been arranged with groups of qualified providers to deliver health services to Medi-Cal beneficiaries on a prepaid basis. In this system, the Prepaid Health Plan (PHP) is paid a fixed monthly premium per capita for providing health care services to enrollees. The Prepaid Health Plan must provide physician, hospital outpatient, laboratory, and X-ray services, prescription drugs and hospital inpatient care. These services are provided at a monthly premium less than the average monthly cost for a beneficiary under the

fee-for-service system.

The PHP is an innovative system for the delivery of health care services, and it allows periodic review by management staff to assure that quality of health care is maintained. Under the PHPs, the state is removed from maintaining a pre-delivery contract system and instead can concentrate on assuring that quality care is delivered.

Establishment of a Department of Health is not a panacea for all the state's problems related to health. It will, however, improve substantially the ability to meet and attempt to solve these problems. It will permit a more effective job of evaluating total

health needs and to develop programs to meet them. It will stimulate the setting of goals and priorities and the rational allocation of resources. It will provide an organization capable of assuming leadership in such areas as health manpower and comprehensive health planning. It will permit the consolidation or coordination of programs that are now fragmented. It will enable the fixing of responsibility and accountability for program results. It will foster the coordination of health and social services at both the state and local level, with a consequent improvement in service to the public. And, it will provide an atmosphere that encourages innovation in such fields as the health care delivery system.

The state has a vital role to play in meeting the health needs of the people of California. Creation of the Department of Health is an essential step in the state's effort to fulfill this role.

Office of Special Services:

Three major areas of social-medical concern, alcoholism, narcotics and drug abuse and developmental disabilities, are the responsibility of the Office of Special Services. Because each is a priority program in its own, the entire prevention/treatment system is included in this particular unit of the Health and Welfare Agency.

Alcoholism Program

The Office of Alcohol Program Management has primary responsibility and authority for planning, establishing, and conducting programs for the prevention, treatment and rehabilitation of alcoholics in California. The office will provide consultation and assistance to county alcoholism agencies, review and approve county alcoholism plans, and conduct site visits to review and monitor the quality and effectiveness of the comprehensive alcoholism programs.

This office will establish a program for the State of California that will merge the existing fragmented, uncoordinated, and duplicative alcoholism programs into a comprehensive, integrated delivery system for the prevention of alcoholism and for the treatment and rehabilitation of alcoholics.

Information on alcoholism is provided to the general public through the dissemination of pamphlets, bimonthly newsletter, articles, films and other materials. In addition, financial support of public information and consultation services will be provided to public and private agencies working in county alcoholism programs. The Office of Alcohol Program Management has contracted with the Department of Education to develop state guidelines for alcohol education and teacher training and to provide consultation and training to local school districts. In addition, consultation services will be provided to private industry and to federal, state and local public agencies to develop early detection and referral programs for alcoholic employees.

In order to develop a single comprehensive statewide alcoholism program, the existing Short-Doyle, state hospital, and McAteer alcoholism programs will be merged into a single community alcoholism program in accordance with the comprehensive county alcoholism plans developed pursuant to the California State Plan for Alcoholism. The statewide program for treatment and rehabilitation will continue the development of comprehensive community based alcoholism programs with emphasis on the development and support of nonhospital alternatives to institutional care.

Narcotics and Drug Abuse Program

Every sociomedical indicator points to the seriousness of the drug abuse problem in California. Arrests, deaths from drug overdosing, growing waiting lists for treatment and drug use surveys all indicate the problem is increasing.

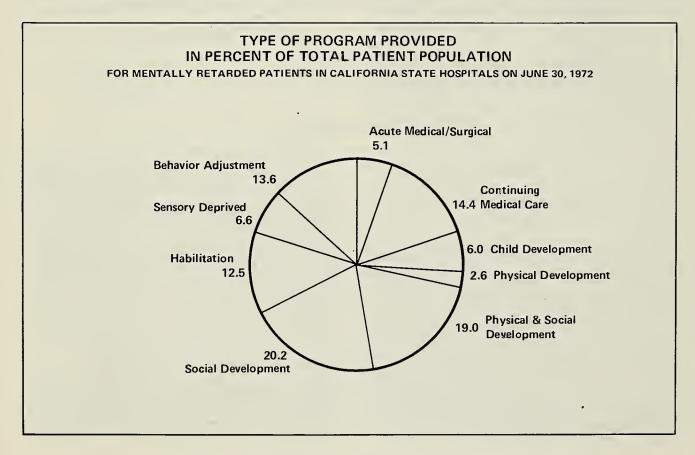
Communities throughout the state have instituted programs to combat drug abuse, but with varying degrees of success. The truly successful program is the exception. In the majority of cases, funding is not the cause of failure. Rather, it is the lack of technical skills and workable strategies which mark the difference between success and failure. The State Office of Narcotics and Drug Abuse will, in the 1973-74 fiscal year, promote more effective drug abuse prevention and treatment programs in all communities through the coordination of state and local resources. This effort will include the establishment of a central information resource center to provide consultation and technical assistance to community efforts in program development, operation and evaluation. The resource center will also maintain statistical data on all aspects of the drug abuse problem throughout the state and act as a clearinghouse for information on success-failure in all programs. Existing state-operated and supported programs will be monitored to evaluate their effectiveness both in cost and social result. Program needs will be assessed and plans will be developed to carry out program objectives at the state, regional and local levels.

Developmental Disabilities Programs

In 1972, the State Office of Developmental Disabilities was formed. This action broadened the scope and responsibility of the former Office of Mental Retardation Coordination in the all-inclusive recognition of developmental disabilities among Californians.

The office combines into a single operation the state hospital programs, protective living services and regional center operations which will be located in the Department of Health beginning July, 1973. The emphasis of all programs developed within the Office will be to reduce the incidence of developmental disability and increase the self-sufficiency of clients. An increased portion of federal aid provided through the Developmental Disabilities Act will be used to fund high priority community-based projects in the areas of prevention and training.

A new regional center for the developmentally disabled is to be provided in south central Los Angeles. It will be the 15th such center established since 1965. In addition, continued financial and increased technical assistance will be extended to the 13 statewide area planning boards and the state developmental disabilities planning and advisory council. The entire program of services will be evaluated as mandated by the Lanterman Act of 1969.



MANPOWER PROGRAMS

Department of Human Resources Development

California has the largest labor force of any State in the nation. To better serve this vital labor force and the state's employers, the Department of Human Resources Development, the state agency charged with providing manpower services, is undergoing reorganization. The reorganization will consolidate into one organizational structure a number of special programs. It will provide needed flexibility to programs consonant with changing labor market conditions that will maximize placement of people in jobs. Service to all segments making up the labor force, including professionals, engineers, scientists, technicians, skilled blue collar and clerical workers, veterans, older workers, youth, minorities, and the disadvantaged, will be improved.

By serving the total community, the department will assist employers in filling job vacancies, the job ready in finding employment, welfare recipients in becoming self-sufficient, and the economically disadvantaged and unemployed in becoming employable and obtaining jobs. The emphasis of the new organization is demonstrated by the fact that the department has set for itself a minimum goal of 430,000 nonagricultural job placements for fiscal year 1973, a 35 percent increase over fiscal year 1972 accomplishments.

The California Employables Program and Community Work Experience Program (CWEP), along with the Work Incentive Program (WIN) are being coordinated to provide a unified system of employment, manpower services and training for welfare recipients. Contracts are being negotiated between the Department of Human Resources Development (HRD) and County Welfare Departments. County Social Service workers will be housed within the Department of Human Resources Development and be able to provide employability self-supportive services and to share in placement and job development activities with Human Resources Development staff. The purpose of the CWEP project is to provide a system by which potentially employable AFDC recipients, for whom employment is not immediately available, will need to accept special work assignments with governmental and private non-profit non-sectarian charitable organizations as a condition of continued eligibility for welfare. It is anticipated that participants will be better able to compete for jobs after the work experience assignment.

The total of all program costs in the Department of Human Resources Development will increase from \$1,213 million to \$1,251 million. The increase is due to a projected increase in disability insurance benefit payments and expansion of the Commission on Aging and the Work Incentive Program. All other program areas have been budgeted at prior year workload levels or lower.

The California Commission on Aging, with its augmented staff, will provide more effective coordination and evaluation of federal grants for aging activities designed to reach the aged population through individual community programs. Expansion of the nutrition program for the elderly by implementation of Public Law 92-258 is provided.

The Office of Economic Opportunity will provide, on request, technical assistance to community action agencies in all phases of their program development, administration, and operation. Emphasis will also be placed on innovative research, pilot, and demonstration programs for the purpose of establishing new approaches to the antipoverty efforts.

	ECUNUMIC DATA
	AVERAGE CIVILIAN LABOR FORCE
FY 1972	8.638,000
FY 1973	8,776,000
FY 1974	8.932.000
	AVERAGE CIVILIAN EMPLOYMENT
FY 1972	8.088.300
FY 1973	8.273.000
FY 1974	8 463 000
	YERAGE EMPLOYMENT COVERED UNDER UNEMPLOYMENT INSURANCE
FY 1972	5.442 000
FY 1973	5.788 000
FY 1974	5,952,000
	AVERAGE WEEKLY UNEMPLOYMENT
FY 1972	550.000
FY 1973	503.000
FY 1974	469,000
	UNEMPLOYMENT RATE UNADJUSTEO % OF CIVILIAN LABOR FORCE
FY 1972	6 37%
FY 1973	5 73%
FY 1974	5.25%
	FT 1972 — ACTUAL EMPERICACE FT 1973 — ESTIMATES
	FF 1974 CORICASI
	17 Jy/a on *Quigays

Department of Rehabilitation

Rehabilitation personnel serving the mentally ill and mentally retarded at the state hospitals through cooperative programs are being reassigned to areas where they can provide rehabilitation services to patients in their home communities where they can be most effective. This change in location of services will entail changes in the staffing pattern, but will not change budget requirements. It is estimated that 1,000 mentally ill persons will be rehabilitated in 1973, compared to 899 rehabilitations in 1972 when most of the clients being served were patients in the state hospitals. An additional 60 mentally retarded clients will be rehabilitated.

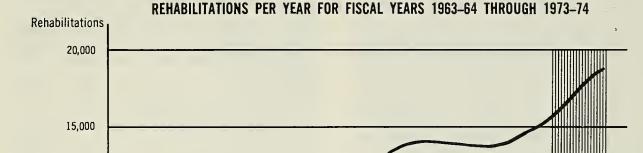
The Public Offender Program which provides rehabilitation services to parolees has undergone a change of emphasis which will continue through 1973–74. Priority is being placed upon serving those with physical or mental impairments rather than with a sole diagnosis of behavior disorders. The Disability Determination Program will have its budget expanded by \$1,254,816 in 1973–74. This expansion is based upon the expected increase in applications for disability

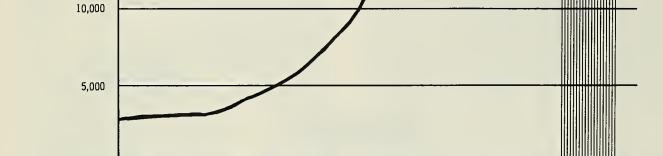
benefits under the Social Security Program. It is estimated that the Trust Fund Program which provides rehabilitation services to beneficiaries under the Social Security disabilities program will rehabilitate 1,300 clients, many of whom are classified as severely disabled.

Rehabilitation services to disabled welfare recipients were expanded in December 1971, and will be in the fully developed stage in 1973–74. The California Welfare Reform Act made possible the provisions of matching funds to be provided to the State Personnel

Board through the Department of Social Welfare. It is estimated that 2,550 welfare recipients will be rehabilitated through this expanded service resulting in an annual savings of \$6,000,000.

The Alcoholism Rehabilitation Program will be transferred to the Office of Special Services, Health and Welfare Agency, on July 1, 1973. The Department of Rehabilitation will contract with the Office of Special Services for vocational rehabilitation services to alcoholics.





1968

Cal Job Executive Law Board

0

1964

This program encourages and assists the private sector in the establishment of regional job development corporations which provide financial assistance to small businesses which cannot obtain loans through normal channels. The executive board contracts with consultants to provide management and technical assistance to these small businesses. Since its creation in 1968, 218 loans totaling \$8.8 million have been approved. This program has created or retained over 2,000 jobs for persons from economically disadvantaged communities.

1965

1966

1967

CORRECTIONAL PROGRAMS

These programs are performed through the Department of Corrections and the Department of the Youth Authority.

Department of Corrections

1971

1970

1969

FISCAL YEARS

From 1968 through 1972, the department has experienced a decline in population of more than 8,000 inmates. The population appears to have stabilized and is not expected to continue to decline through 1973–74. Conversely, during the same period, parole population has experienced a continued growth with stabilization expected in 1972–73 and 1973–74.

1972

(1973)

1974)

Projected

The reduction in institutional population has permitted the department to close portions of facilities in prior years. In this budget year, 720 beds will be deactivated by reducing the California Conservation Center at Susanville to the status of a conservation camp and transferring the female nonfelon addicts to California Institution for Women from the Patton State Hospital Branch.

Because Reception Guidance Centers are continually overcrowded, making it increasingly difficult to meet the processing workload of newly committed persons and presentence diagnostic cases, it is pro-

posed to increase the reception center capacity by 400 beds in 1973-74 by activating the Youth Authority's unoccupied Older Boy's Reception Center at Chino as a Department of Corrections Reception Guidance Center.

The proportion of inmates with assaultive and escape tendencies and convictions for violent crimes is increasing. To reduce the number of escapes and provide for greater inmate and employee safety and security, a significant portion of the resources of the department were redirected in 1972–73 to provide additional positions for the most critical areas with reductions of positions where housing units could be closed.

The need to provide special maximum security housing for several hundred inmates whose behavior, escape proneness, violence potential and/or militancy pose a genuine threat to staff and other inmates will be met by two replacement facilities, each planned for 400 inmates. With safety and security of staff, inmates and protection of the general public as basic concepts, the design and program of these two units will include varied treatment and activities which will provide a "way out" for those inmates to return to an institution's mainline population and eventually to the free community.

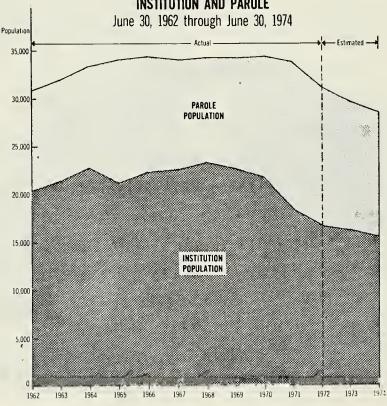
Today's parole system also supervises a more antisocial, violence-prone, and emotionally disturbed offender than ever before, prompting a need for expanded treatment in the community. The Adult Authority, by resolution adopted July 1, 1972, is discharging trouble-free parolees after one year on parole in the community. This actually increases workload because the difficult cases remain under the same supervision ratio of one parole agent to 68 parolees. The 1973-74 budget provides for reducing the felon case load from 68 to 50 parolees for each parole agent in an effort to provide increased public protection.

Dollar expenditures by the department reflect the foregoing changes in 1973-74. Security costs and parole and community services are slightly higher than the previous years. The expenditures for the various departmental functions are shown in the accompanying chart.

THE CORRECTIONAL DOLLAR

Reception and Release : Reception and Diagnosis \$1.8 1.2 Releasing Authorities 1.3 0.9 Institution Operations : Security 48.6 33.3 Inmate Support 30 20.7 Treatment 14.5 10 Inmate Employment 3.9 2.7 Industrial Operations (Correctional Industrics Revolving Fund) 10.4 7.1 Inmate Benefits (Inmate Welfare Fund) 3.4 2.3 Work Furlough 0.3 0.2 Short-term Treatment 0.1 0.1 Institution Operations Administration 6.8 4.7 Community Operations : Supervision-Case Services 15.3 10.5 Community Correctional Centers 1.1 0.8 Psychiatric Outpatient Services 0.7 0.5 Special Narcotic Services 0.5 0.3 Administration 0.9 0.6 Special Items of Expense : Transportation of Prisoners 0.2 0.1 Returning Fugitives from Justice 0.6 0.4 Court Costs and County Charges 1.1 0.8 Departmental Administration 3.5 2.4	Percent Expenditures (Gross)		
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			0.8
	Departmental Administration	_ 3.5	2.4
Totals\$145 100	Totals	\$145	100
1 Will not add due to rounding.		•	

MALE FELON POPULATIONS INSTITUTION AND PAROLE



Department of the Youth Authority

Youth Authority parole and institution population is projected for a slight decrease in 1973-74. The Probation Subsidy Program will be increased by approximately \$2.6 million to a level of \$23,742,000 in the budget year. This local assistance program, which emphasizes local supervision and treatment of offenders on probation, is one of the reasons for the decline in the commitment rates of offenders to the Department of the Youth Authority and the Department of Corrections.

One result of the drop in commitment rates to the department is a decrease in the requirement for bed capacity in existing facilities. This decline, coupled with the implementation of the Increased Parole Effectiveness Program (IPEP), has enabled the depart-

YOUTH AUTHORITY DOLLAR
... and how it is spent

REHABILITATION SERVICES
63.4¢

COMMUNITY SERVICES
31.7¢

ADMINISTRATION
AND YOUTH
AUTHORITY BOARD
3.7¢

1.2¢

SOCIAL WELFARE PROGRAMS

Department of Social Welfare

This department is entering a period which will continue to reflect a number of major changes to its traditional role in state government. As a result of the enactment of the Governor's Reorganization Plan No. 1, all programs and activities relating to the delivery of social services are being transferred to the newly formed Department of Health as of July 1, 1973. The

ment to close the Fricot Ranch School and the Paso Robles School. Continued decline in commitment rates will allow the department to close the Los Guilucos School by the end of the 1972-73 fiscal year.

As shown in the following chart, approximately two-thirds of the Youth Authority expenditure dollar provides rehabilitative services and security for wards committed to the department. Approximately one-third of the remaining Youth Authority expenditure dollar provides financial assistance to local jurisdictions for such programs as special probation supervision, county camps, ranches and homes, and delinquency prevention projects. The 1973–74 budget includes additional staff for improved security and funds for the Ward Pay-Work Program.

chart II

INSTITUTIONAL AND PAROLE POPULATION

BY TYPE OF CUSTODY

TOTAL ALL WARDS STANDARD ESTIMATED ON PAROLE CYA INSTITUTIONS COC INSTITUTIONS

only exception is the Homemaker Services Program which will not be transferred until sometime in fiscal year 1973-74. The basis for this delay is the transitional period wherein the Attendant Care Program is being phased out and the Homemaker Services Program fully implemented. The final scheduled date for conversion to the Homemaker Services Program is April 1, 1974.

In addition, recently enacted federal legislation (HR-1) will result in substantial changes to existing

7-84323 A-35

Adult Aid Programs (OAS, AB and ATD) effective January 1, 1974. This act will require a complete review of current state laws and regulations and numerous changes to them. For this reason, this budget presentation does not reflect the impact of HR-1 or the limits to social services imposed by Federal legislation HR-14370.

During the past year, the department has continued the successful implementation of the "Governor's Welfare Reform Program' (March 1971), through both administrative reforms and the enactment of Chapter 578, Statutes of 1971 (SB 796). Since this reform plan was initiated, there has been a decrease of nearly 250,000 persons in the welfare rolls of Califormia. Total expenditures for the categorieal aids. which had increased by \$284 million in 1969-70 and \$330 million in 1970-71, slowed to an increase of \$183 million in 1971-72; while in 1972-73, for the first time in nearly 30 years, expenditures are estimated to be below the previous year's level by \$11 million. At the same time, maximum grants to needy AFDC families were increased by about 27 percent. These aecomplishments have been the result of the efforts of the department in implementing the Governor's Welfare Reform Program including welfare reform legislation intended to limit eligibility to the truly needy, while at the same time increasing assistance levels, coupled with realignment of the department directed toward improved fiscal management eapability.

Efforts of the department during 1973-74 will focus on (1) increasing state management of the welfare payment system by improving the ability to monitor and provide counties with feedback on disclosed problem areas; and (2) the implementation of changes mandated by federal legislation in the fields of social services and amendments to the Social Security Act.

California Hospital Commission

Although the Commission is not a statutory part of the Health and Welfare Agency it is included here because of the close relationship it bears to the pro-

gram activities of this agency.

The California Hospital Commission was created in 1972 to develop and implement a uniform accounting and reporting system for California hospitals to permit evaluation of rates and charges for medical services. Commission members have been appointed, an executive director hired, and 14 positions have been established. Additionally, the commission has been designated to review requests for exceptions to price limitations for hospitals and nursing homes in connection with the President's Economic Stabilization Program.

The major activities of the commission during 1972-73 and 1973-74 are to evaluate various hospital accounting systems, develop proposed regulations and evaluate requests for exception to federal price limitations.



Education

Since World War II one of the great problems facing California's educational systems has been that of responding to unprecedented pressures to accommodate many more students. The number of high school graduates has increased sixfold since 1945, and the proportion of these students who go on to college is extremely high by national standards. Public school enrollments have tripled and colleges and universities have grown even more rapidly. While much of this expanded enrollment has been a result of population growth and influx, a good part of it has been due to the technical and professional levels of education which an individual must possess in order to work and to live well in a dynamic, modern society.

Throughout this period, the issue of qualitative growth has been clearly in the minds of the cducational community. Improvements in the teaching of traditional subjects have been accompanied by the introduction of new services to students and even new disciplines in higher education. But qualitative values and quantitative growth have had to compete for scarce budgetary resources. Today, the leveling off of enrollments presents a unique opportunity to focus attention more directly on qualitative factors.

How can the state, through its budget process, assist education to meet the challenges, fulfill the responsibilities, and live up to the expectations of the general public? This budget outlines the financial resources proposed to help education rise to the occasion. Between 1966-67 and 1973-74 these resources have increased substantially. State general fund budgets for all of education, excluding capital outlay, will increase by 100 percent during this period. By educational levels, support for elementary and secondary education will increase by 93 percent; community college funding by 204 percent; State Scholarship and Loan Commission programs by 720 percent, and the rest of higher education by 98 percent.

If budgetary support could by itself assure that educational systems would meet expectations of quality, the budgeting task would be far less complicated. But no such assurance is possible. This budget allocates the resources needed to advance education's mission, but forthright advances are unlikely to be realized if the increased resources are used solely to

provide more of the same. The funds must be employed imaginatively and responsively to meet emerging and unresolved problems. Old and new programs alike must face the test of producing tangible results which are expected by the taxpayers; and behind the taxpayers' dollars is the call for accountability.

Measures of educational effectiveness should be devised and employed in regard to all phases of the educational spectrum—not just at points of termination ... and not just as required by the state testing program. Education must accustom itself to the constant reevaluation of its goals, the continuous reassessment of pupil progress toward those goals, and the regular revitalization of its programs. If education will adopt such self-directing practices it will not become complacent with the status quo; it will be dynamically responsive to changing needs; it will be accountable; it will be supported appropriately both financially and enthusiastically; and, most importantly, it will be of maximum benefit to each of the 4.6 million students in attendance in public elementary and high schools and the almost one million fulltime students at the postsecondary level.

ELEMENTARY AND SECONDARY EDUCATION

Normally, youngsters in California devote 13 years of their lives in kindergarten, elementary and secondary classrooms learning by listening, reading, discussing and sharing with teachers and classmates. When they graduate from high school, over one-fourth of their normal lifespans will have passed. Its great to be young; still, most of the best years, the most productive years, the happiest years should be ahead—particularly if our schools have served students well. For, when they graduate, they expect and are expected to have acquired the skills, understandings and attitudes which will help them to continue to grow to the benefit of society and themselves.

Redirection Through Leadership and Innovation

During 1973-74, the General Fund of the State of California will contribute \$2.2 billion in State Operations and Local Assistance toward the financing of all K-12 public education programs for 4.6 million children and young people. This is the single largest

amount ever contributed by the state for the support of our schools, and increases by one-third the 1972–73 level of funding.

The State of California has made significant progress in anticipating the needs of our elementary and secondary schools for 1973-74. The people can take considerable pride in the following highlights of recent accomplishments:

—The Early Childhood Education Act provides the mechanisms and the incentives for public schools to restructure and revitalize primary education in California.

Provisions in the Early Childhood Education Act and in the major school finance/tax reform measure (SB 90) guarantee additional support to disadvantaged pupils not served through federal

compensatory education entitlements.

The Children's Centers Bill (AB 99) consolidates authority and responsibility for all child care, children center and preschool programs in the Department of Education, and promotes better coordination of their related resources and programs.

The state testing program will be redesigned to make it more useful to decisionmakers at the school, district and state levels. A "matrix-sampling" approach which should be more economical in terms of teacher-student time and dollars will be used to measure the effectiveness of instructional programs in relation to the educational objectives of California's schools and the content of our instructional materials rather than in relation to generalized "national norms."

The efforts of the State Superintendent of Public Instruction to reorganize the Department of Education have been supported in the anticipation of that agency becoming more pupil-oriented and providing more direct functional assistance and

leadership to school districts.

State provisions for supplying instructional materials have been modified significantly to promote long-range planning, greater options at the local level, and more frequent updating of materials in use.

-Bilingual education programs are to be expanded through special legislation (AB 2284) for pupils with no or limited English speaking abilities.

-Ten pilot programs in Indian Education have been authorized (SB 1258) for rural school districts having concentrations of Indian pupils.

- -Development centers for severely handicapped youngsters will be expanded through projected use of \$3.3 million from the federal government and a continuing \$5 million in state funds to serve 1.000 more children than the 1,950 served in 1972–73.
- -Year-round school operations have been expanded to 16 school districts with 47 schools operating on a year-round basis during 1972-73. Means are being explored to assist more districts to restructure the educational cycle along such lines.
- -Income tax credit is to be provided low-income families for the cost of educating pupils in nonpublic elementary and secondary schools. These schools have been facing increasing financial

hardship in recent years; this provision should help them survive and continue to relieve our public schools by educating about 400,000 pupils per year.

These changes present significant opportunities to our educators and our educational agencies. They should assist in the improvement of the effectiveness of our schools. Ultimate impact must be assessed thoroughly and reported to all who are interested in and/or responsible for program continuance or for further funding. But, it also should be appreciated that these measures are not offered as the final answers to our educational problems.

Below is a display of the sizable growth in funding -more than \$555 million—in the budget year for both elementary and secondary education. This dramatic increase is primarily related to enactment of the school finance, tax reform measure (SB 90) and to augmented funding by the state to local districts through apportionments.

Expenditures for Elementary and Secondary Education General Fund

STATE OPERATIONS	
Actual Estimated Estimate 1971-72 1972-73 1973-7	
Department of Education 15,330 19,755 20,6	24 58 -a
Totals, Support, Education 16,642 19,779 20,6	82
LOCAL ASSISTANCE	
Apportionments for public schools (K-12) \$1,299,719 \$1,398,085 \$1,944,8 Compensatory education 10,838 10,518 10,6 Children's centers 10,250 11,094 10,9 Free textbooks 17,339 13,012 24,3 Grants to teachers of physi-	61
cally handicapped minors 146 150 Vocational education 550 550 5 Assistance to public	5 0
	00
Special elementary school reading instruction b 17,885 18,900 18,8	
	48 42

Totals, Local Assistance \$1,431,329 \$1,644,337 \$2,199,664 Totals, State Operations and Local Assistance \$1,447,971 \$1,664,116 \$2,220,346

567

135,000 c

55,082

20.000

53,434

604

135.000 c

52,702

Indian education program__ Instructional television _.

Teachers retirement ___

Debt service

a Chapter 1305, Statutes of 1971, provides that the administra-tive support costs of the Teachers' Retirement System will be funded from the Teachers' Retirement Fund beginning

n 1972-73.
b Includes \$500,000 in 1972-73 and \$400,000 in 1973-74 for Project SHARE.
c Chapter 1305. Statutes of 1971, begins to place the Teachers' Retirement System on a reserve funded basis.

The Superintendent of Public Instruction and the State Board of Education will strive to employ their resources in ways to reinforce Californians' belief in their educational system by continuing to restructure the Department of Education and statewide programs in response to changing needs and demands.

The reorganization of the Department of Education is of paramount interest. The department will be totally restructured in 1973-74 after two years of planning so that it may redirect its resources and services to provide leadership to 1,067 school districts, ranging from large metropolitan agencies serving thousands of students to the few remaining one-room schoolhouses. These 1,067 diverse districts are relatively independent, yet each is a part of a total statewide system of schools; each has a responsibility to provide and respond to leadership. The Department of Education must be organized flexibly and functionally if it is to provide such leadership for these varied units in the field.

Several major priorities and opportunities of the department were mentioned briefly previously; but numerous other major activities must be pursued as means to improve programs which promote pupil achievement in basic skill subjects such as reading and mathematics, and which satisfy other developmental needs of our youth. Some of these additional major activities are related to curriculum planning, career or occupational education, drug prevention, teacher evaluation, urban and conservation education, counseling and guidance services, professional development of existing staff—teachers and administrators, and better utilization of new and developing educational technologies.

One of the more promising activities to be emphasized during 1973–74 is the year-round school. Traditionally, public elementary and secondary schools have offered regular nine-month programs. Many districts also have offered voluntary summer programs for remedial or enrichment purposes. But, under 1971 legislation, opportunities became available for districts to explore and test regular year-round operations. Several districts have embarked upon such year-round programs and more will test them during 1973–74. Some of the possible benefits such programs TABLE 1

SB 90 INCREASES THE STATE FOUNDATION PROGRAM SUPPORT FOR ELEMENTARY AND HIGH SCHOOLS **ELEMENTARY** HIGH SCHOOL DISTRICTS DISTRICTS Prior Law SB 90 Prior Law SB 90 1,000 DOLLARS PER AVERAGE DAILY ATTENDANCE STUDENY \$950 900 Per ADA 800 \$765 700 Per ADA 600 500 \$488 Per 400 ADA \$355 300 Per ADA 200 100

might provide relate to reductions in learning losses essociated with prolonged summer vacations; reduced school facility needs; accelerated pupil progress; the more even impact of school vacations on government, business and industry; and the possible enhanced impact of such programs on California's great tourist and leisure time industry.

Local Assistance

The Department of Education provides our 1,067 school districts with professional guidance and assistance. In financial support \$1.945 million from the state's General Fund is to be provided through school apportionments to our public elementary and secondary schools during 1973-74. The 1973-74 apportionments provide for an improved equalization of educational support in our public schools. Table 1 displays the higher foundation program levels per ADA supported by the state through apportionments as a result of the recently enacted SB 90. During 1972-73, the state will contribute approximately 33 percent of the total support of our schools provided by local districts and the General Fund. As a result of SB 90, the state's share of the cost of education for kindergarten through twelfth grade should equal about 40 percent in 1973-74. These increases will be accompanied by major reforms in the tax structure to support our schools. Reliance on the traditional, property tax which home owners have struggled to control for years has been reduced and many special purpose, permissive override taxes have been eliminated.

Changes in state support for schools will vary in each community according to districts' assessed values. Table 2 indicates the new and old levels of state

expenditures per ADA student.

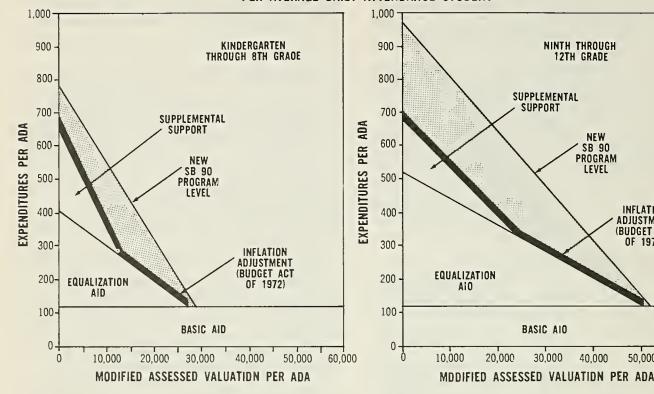
California's preschool education and child care programs are provided to meet the special educational needs of disadvantaged children or provide child care services for children of low-income parents who either work or desire to participate in job-training programs. A variety of such programs are supported from federal and/or state resources. In the past, different types of programs were administered by different state agencies. Under such conditions, coordination of effort and the efficient use of resources was unduly complicated or thwarted. The Child Development Act of 1972 (AB 99), places responsibility for all such programs in the Department of Education, which hopefully will be able to eliminate duplication and conflicts experienced in the past.

In 1973-74, \$45,760,000 of state and federal funds will be available for child development programs which include children's centers and campus children's centers. This amount is comprised of \$15,040,000 in state General Funds to be allocated through the Department of Education and the Health and Welfare Agency, and \$30,720.000 in federal matching funds. These resources will enable 26,050 children to be served in child development programs.

Exclusive of federally funded programs where funds flow directly to the school districts, \$23,314,200 will be available for preschool programs. \$5.828,550 of this is state General Fund money provided through the Department of Education, and the rest is federal matching funds. These programs will permit 19,000

children to be served.

STATE SUPPORT FOR UNIFIED DISTRICTS COMPARING OLD PROGRAM AND NEW SB 90 PROGRAM PER AVERAGE DAILY ATTENDANCE STUDENT



Federal funds are also available for migrant preschool and day care programs. \$1,495,000 in federal funds will be matched by \$415,000 in state General Funds from the Department of Human Resources Development. 1,100 children will receive aid under these programs.

Another program with broad impact on children and youth is that designed to satisfy student nutritional needs throughout the state. During 1973-74, the pupil nutritional program is expected to serve free or reduced-price meals to one million children of welfare recipients and others in need of such assistance. The federal government increased its level of participation in this program in 1971-72. As a result, school districts participating in the program will be able to continue providing free or reduced-price meals to needy children at less expense to the districts.

Teacher Preparation and Licensing

Support for the Commission for Teacher Preparation and Licensing derived from the Teacher Credentials Fund will total some \$1.7 million in 1973-74. Having assumed responsibility for the teacher credentialing functions from the Department of Education in August 1971, the commission is developing a conversion process for licensing of teachers as a prelude to the issuance of Ryan Act credentials commencing in 1973-74. The Ryan Act calls for more diversification in teacher preparation providing for the multiple subjects credential which will assure broadly prepared teachers in the elementary grades. Through a three-

phased planning, testing, and evaluation study, the commission will generate baseline data on elementary teacher competency. Funds for the study (\$2,332,000) are anticipated from the Federal Office of Economic Opportunity.

NEW

SB 90 PROGRAM

LEVEL

40,000

INFLATION ADJUSTMENT

(BUDGET ACT OF 1972)

50.000

60,000

POSTSECONDARY EDUCATION

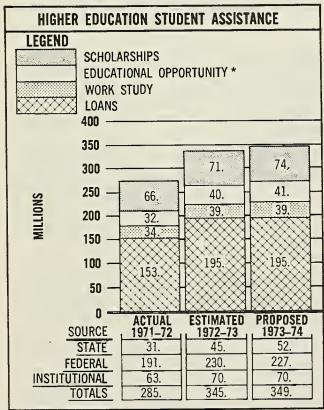
The cost and quality of a program, its effectiveness, are difficult to measure at the postsecondary level. The public, students, and academicians may differ in their evaluation of the same program: the quality of a degree, for example, can be measured in terms of the recipient's subsequent earnings, or by the less tangible yardstick of the graduate's social, cultural, and intellectual achievements. These accomplishments could be viewed in their dimension as contributions to society, or in the dimension of the personal satisfaction and fulfillment which they bring to the degree recipient. Because cost and quality are intimately related, it is by no means clear that the least costly education is the best taxpayer investment. But if it is agreed that departures from least cost alternatives should be made in order to upgrade the quality of higher education, the question of where those departures would produce the best results is unresolved. Should more money be spent on buildings or on faculty? And if it is spent on faculty, should the faculty be evaluated on the basis of its publications, awards, or its teaching motivation? And if one of these bases is emphasized, how can it meaningfully be measured?

In the increasingly competitive market for public dollars, it is a very real concern of public evaluators that effectiveness measures be more specifically identified. This is not merely due to the desire to hold down taxes. General Fund resources must be allocated reasonably among the segments of the state's educational system, and between the educational system and a broad range of pressing social and civic problems. Without hard effectiveness measures, this allocational task is difficult to perform.

Student Financial Assistance

Students find that barriers to postsecondary education exist despite the state's commitment to public education through the doctoral level. Without the various forms of student financial assistance which are directed toward the financially needy and the educationally delayed, traditional patterns would then eliminate many potential achievers and would permit acceptance in our institutions of only those who are financially secure or who demonstrate exceptional intellectual or other capacity. However, the ability to benefit from postsecondary education exists in many. This program provides an opportunity for education beyond the high school experience in order to cultivate that ability. The State of California in concert with the Federal government and institutional sources will make available \$349 million in 1973-74 through numerous programs to reduce financial barriers facing students (See Table 3). The state's contribution to student aid programs (increased from \$45 million to \$52 million) includes in addition, continuing funds

TABLE 3



^{* (}Programs and Grants)

for administration, tutoring and counseling of educational opportunity programs.

During the 1973 Legislative Session, a further step will be taken in the form of proposed legislation to adopt an emerging student program designed to assist educationally and socially delayed students. This proposed new thrust will offer incentives in the form of assured access to post-secondary education to ninth and tenth grade students if they demonstrate educational achievement at the high school level. These are students who offer the potential to benefit from higher education but who probably would not seek the opportunity without the incentives offered through financial aid. Assurance of such assistance will be dependent on the students' successful completion of high school and needy status.

The state agency primarily responsible for disbursement of student financial aid to students is the State Scholarship and Loan Commission, established in 1955. The commission administers funds through: a scholarship, graduate fellowship college opportunity grant, and the newly added occupational training grant programs. In 1973–74, approximately \$37.3 million of the \$52 million reported above will be provided in various forms of student assistance through this organization.

California's Community Colleges, The California State University and Colleges, and The University of California

As shown in Table 4, public higher education in California has experienced very rapid growth over the past decade and a half. The California Community Colleges, the University of California, and the California State University and Colleges are now serving 954,000 fulltime equivalent students. This is approximately 670,000 more students than were enrolled in these systems in 1960.

The California Community College System is made up of 96 colleges with more than 800,000 students. Average daily attendance since 1966-67 has risen dramatically, 81 percent to the level projected for 1972-74. During 1973-74, the State of California will provide California's Community College System with \$219.3 million in general funds. This is a 204 percent increase over that provided in 1966-67. Opportunity is offered through the community colleges for vocational or technical training as well as for academic preparation.

Expenditures for California Community Colleges General Fund (In Thousands)

\\			
STATE OI	PERATION	SS .	
	Actual 1971 - 72	Estimated 1972-73	Estimated 1973-74
Board of Governors of Cali-			
fornia Community Colleges	912	1,062	1,088
LOCAL AS	SSISTANO	EE	
Apportionments for public			
schools (community colleges)	174,671	203,836	212,358
Assistance to new community college districts	1,150	-	750
Community colleges extended opportunity program	3.350	4.850	5.115
Subtotals, Local			
Assistance	179,171	208.686	218,223
Totals, State Operations and Local Assistance	180,083	209,748	219,311

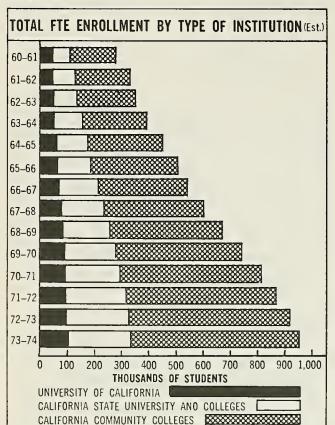
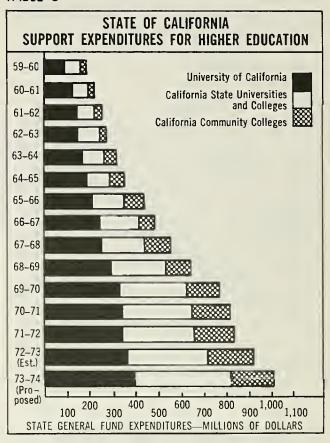


TABLE 5



The California State University and Colleges will provide education for approximately 270,000 head-count undergraduate and graduate students on 19 campuses during the 1973–74 academic year. In 1973–74, the California State University and Colleges will be allocated approximately \$407.9 million in state general funds for support plus \$34.3 million in salary increases, an overall augmentation of \$63.8 million over 1972–73.

Within the level of support, the instruction program will be increased by 369.3 faculty. Systemwide FTE enrollment is expected to increase by 5,120 students. The budget and legislative processes are placing increased emphasis on faculty productivity evaluation and unit cost definition to which this segment has responded with the design and implementation of a new system for determining faculty productivity and faculty effort by discipline and level of instruction.

The University of California maintains nine campuses serving 110,000 students. The University offers academic degrees through the doctoral level with sole authority in public higher education to award the doctor's degree and jurisdiction over training for the professions. The University of California is the primary state supported agency for research. State General Funds proposed for the University of California

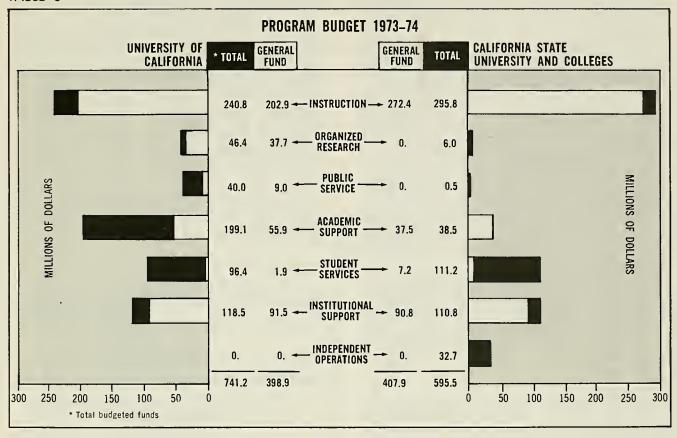
total \$398.9 million in support for 1973–74 plus salary increases of \$30.7 million, an overall increase of \$44.8 million over 1972–73.

Table 5 shows the continuing expansion of state support provided to the three major public segments since 1960.

Table 6 displays total 1973-74 program requirements for California's two senior public segments. As can be readily seen, each segment's total budget is made up of funds from several sources, including the State General Fund which represents 54 percent of the University of California Program Budget and 69 percent of that of the State University and Colleges.

Salary Increase

This budget contains \$18,950,000 for a 7.5 percent proposed salary increase for instructional and related classes and \$15,310,000 for noninstructional California State University and Colleges employees. The total salary increase proposed for CSUC employees for 1973–74 is \$34,260,000. The University of California's salary proposal contains a 5.4 percent increase of \$10,979,000 for faculty and related classes and \$19,711,000 for nonfaculty classes. Total proposed UC salary increase is \$30,690,000.



Expenditures for Higher Education 1 General Fund (In Thousands)

STATE OPERATIONS

	Actual 1971–72	Estimated 1972-73	Estimated 1973-74
Coordinating Council for	13/1-/2	1312-13	1313-14
	456	497	608
Higher Education			398.900 2
University of California	335,578	384,782	
Salary increase, UC			(30,690)
Hastings College of Law	1,252	1,715	1,970
California State University			
and Colleges	316,250	378,378	407.884 2
Salary increase, CSUC	_	_	(34,260)
California Maritime			(32,200)
Academy	793	934	1.137
State Scholarship and Loan	100	991	1,101
	10.400	90.000	90 551
Commission	19,400	30,966	38,551
Western Interstate Commis-			
sion for Higher Education	15	15	28
Totals, Support, Higher			
Education	673,744	797.287	849.078
Totals, Support Plus	0.0,		010,000
Salary Increases			(914.028)
Balary Thereases	_		(014,020)

The More Effective Use of Resources

Rapid growth of California's institutions of higher education has made state support for postsecondary education more visible. Probably at no prior time in California's history has there been as much discussion

as at present about public policy toward our postsecondary segments or about institutional management. Yet there are few adequate bases to judge the effects of an education program decision. Information as to the benefits or even the outputs of various programs is fragmentary and cost data are often unreliable.

To correct this deficiency, the Legislature has instructed the California Coordinating Council for Higher Education to provide an annual report on the full cost of instruction in each of California's three systems of public higher education. Moreover, state and institutional representatives have participated fully in the study and development efforts of the National Center for Higher Education Management Systems (NCHEMS). Certain of NCHEMS' products are now in use in California, most notably the Program Classification Structure which has been adopted by the California State University and Colleges and University of California. Costs of each program of these two segments are displayed for 1973-74 in Table 6.

Information about cost is important, but it is only part of the information we need. Both major systems are taking an active interest in the goals, and accomplishments of individual academic programs. They are seeking indexes to identify the quality and quantity of the benefits of higher education, some measure of the "value added" to an individual completing the college or university experience. Especially difficult is the measuring of education's influence on an individ-

¹ Excludes state operations and local assistance expenditures for California Community Colleges.
2 Funds to he used for salary increases for faculty, instructional and related classes and for other employees at the University of California and State University and Colleges are not included in these totals, although they appear on the next line in parentheses. Such funds for both systems total \$64,950,000 for 1973-74.

ual's capacity for critical thinking, reasoning, and creativity. The measure of earning power or occupational skill and competence is more readily quantified but such data have not in the past been given the attention deserved.

During the spring of 1971, the Legislature directed the Department of Finance, in cooperation with the California State University and College System, the University of California, the Coordinating Council for Higher Education, and the Legislative Analyst to develop a method of budgeting faculty positions based upon instructional faculty productivity. Out of this joint venture grew the Higher Education Budget Project. The interim budgetary device selected by project participants is the "productivity ratio," represented by the number of student credit units generated by the average faculty position, by course level. Chart 1 shows the key variables which contribute to differences in faculty productivity and variations in unit cost. Comparative evaluation of such data has use in the exploration of resource allocation alternatives.

Other cooperative efforts are underway in the form of program effectiveness evaluations, aimed at: reducing attrition and excess credit accumulation, streamlining the admissions processes, improving access to academic libraries, and determining and projecting health and other professional manpower demand conditions.

Academic Innovation

The California State University and Colleges is continuing the recently emphasized effort to reach publics not now served. Alternative degree paths have been established for those who can attend a university or college only on a part-time basis, in the evening or on the weekend, and for those who are now too far from a university or college campus to participate in a regular degree program. This system is experimenting with accelerated learning and attempting to reduce the barriers and delay which inhibit student progress to a degree. CSUC has also made provision for advanced placement and credit by examination. Moreover, while these innovative programs have been designed to provide the student with more options and to shorten the time to degree by changing the mode of instruction, they may be expected to reduce the cost in one or more of the following ways:

-By substituting student initiative for faculty su-

pervision

—By substituting technology for labor, e.g., using television in place of lectures, and

—By making more intensive utilization of buildings and equipment.

Mention should be made of two new University of California funding proposals which appear in this budget. The first is the Extended University pilot program which will receive \$1.5 million from the State for the first year of an experimental project. This is a pilot effort drawn up and instituted by the University of California in 1972–73. It represents a promising first step toward opening the University to part-time students at a proportionately reduced cost to those students. Up until the present, part-time students desiring a University of California degree have been discouraged from doing so because of the Academic

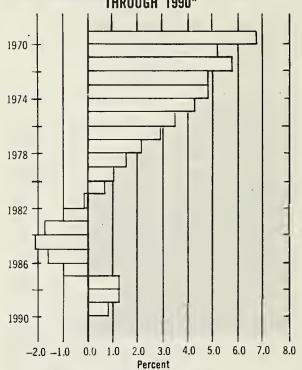
Senate's residency requirements and the requirement that students pay full tuition costs regardless of the course load they were carrying.

The state administration is proposing—as an incentive for increasing faculty-instructional emphasis in the University of California—a new undergraduate teaching excellence program. Research and graduate instruction have received an inordinate amount of emphasis in comparison to that given undergraduates. This is partially the result of large infusions of Federal research and development dollars, but also responsible is the "public or perish" orientation of faculty hiring and promotion guidelines. Because personnel policies in the University are generally considered the prerogative of University management, and because the State recognizes the tremendous resistance associated with a system steeped in tradition, the State is providing \$1 million in fiscal 1973-74 as an incentive for the implementation of a system which will recognize and encourage excellence in undergraduate teaching.

Planning for the Future

During the past decade, the principal characteristic of postsecondary education in California has been extraordinary growth. Now enrollments are stabilizing and the coming decade will be characterized by

TABLE 7
ANNUAL PERCENTAGE CHANGE IN ENROLLMENTS IN
U.S. POSTSECONDARY EDUCATION PROJECTED
THROUGH 1990*



* Source: "The More Effective Use of Resources," The Carnegie Commission on Higher Education, June, 1972

CHART 1

ILLUSTRATIVE SUMMARY OF STUDENT DEMAND FOR COURSES, FACULTY INSTRUCTIONAL PRODUCTIVITY AND INSTRUCTION PROGRAM EXPENDITURES—CALIFORNIA STATE UNIVERSITY AND COLLEGES AND UNIVERSITY OF CALIFORNIA, 1971-72 -In Partial Response to 1971 Legislative Conference Committee Directive on Faculty Productivity-

ITURES	Total regular instruction expenditures	$\begin{array}{l} + \text{ (k)} = \text{ (l)} \\ \$71,400,000 \\ 37,300,000 \end{array}$	124,700,000 56,300,000	31,120,000 67,500,000
ROGRAM EXPEND	Instructional support expenditures	\$13,400,000 20,000,000	(11,700,000) 22,300,000 21,600,000	(19,100,000) 5,120,000 22,300,000
REGULAR INSTRUCTION PROGRAM EXPENDITURES	Instructional staff salaries	\$58,000,000 $I7,100,000$	(25,600,000) 102,400,000 34,700,000	(37,200,000) 26,000,000 45,200,000
REGULA	Averal instructi staff o		(10,500) 16,100 16,000	(14,450) 18,400 19,700
FIONAL	Total instructional staff required	(e) \div (g) $=$ (h) 1 3.855 1,176	(2,430) 6,360 2,166	(2,540) 1,400 2,314
FACULTY INSTRUCTIONAL PRODUCTIVITY	Average instructional staff productivity	X (f) = (g) 654 $-$ 904	(435) 540 544	(465) 270 171
i	Average courses and section taught	8.9 8.9 8.9 8.9	(5.8) 7.0 - 6.5	(4.7) 5.2 5.2
	Average student course credit and section units enrollment generated	2,520,000 1,060,000	3,430,000 1,180,000	380,000 400,000
ND.	Average course and section enrollment	(6) 29 - 29 65	(30) 27 21 21	(23) 17
STUDENT DEMAND	Average course credit value		(2.5) 2.9 3.8	(3.0) 2.9 4.7
STU	Total courses and sections taught (b)	33,400	(14,000) 42,200 14,100	(17,100) 7,340 12,200
	Students (full-time equivalents)	84,000 35,400	- 114,300 39,300	12,600 18,400
	Regular Instruction	Lower Division: CSUC UC Faculty only Total instructional	Upper Division: CSUC UC Faculty only	Graduate Division: CSUC UC

SUMMARY OF REGULAR INSTRUCTION, 1971-72, 1972-73, 1973-74

Regular Instruction All Campuses										
			LOWER DIVISION	2	2	UPPER DIVISION	z	GRA	GRADUATE DIVISION	z
Instructional Expenditure Data		Estimated 1971–72	Estimated 1972–73	Projected 1973-74	Estimated 1971–72	Estimated 1972-73	Projected 1973-74	Estimated 1971–72	Estimated 1972-73	Projected
Total Instructional Expenditures (\$000)	csuc	\$71,400 37,300	\$81,927 39,700	\$81,990 42,300	\$124,700 56,300	\$146,826	\$158.337 $65,600$	\$31,120	\$39,277	\$42.927 73,500
Student credit units per full-time equivalent faculty C	CSUC	654 904	650 930	610 954	540 544	552 560	566 574	$\begin{array}{c} 270 \\ 172 \end{array}$	238 186	290 180
Instructional cost per semester student credit unit 2 Ci Instructional Output Data	csuc	\$28 35	\$31	\$33 38	\$36 48	\$30 49	\$40	\$82 122	\$88	\$90 130
Degrees Conferred: Bachelor	csuc	1 1	1 1	1 1	43,081 18,866	45,600 N.A. 3	48.100 N.A. 3	1.1	1.1	1.1
Masters	csuc	1 1	1 1	1 1	1-1	1-1	1 1	8,145 5,677	8,600 N.A. 3	9,100 N.A. 3
Doctorals	csuc	1.1	11	1 1	1.1	1-1	1-1	2,050	15 N.A. 3	15 N.A. 3

1 Total instructional staff includes faculty and teaching assistants and teaching fellows.

2 Calculated by multiplying FTE students by 30 and dividing the product into total instructional expenditures. The CSUC presently has ten campuses on the semester system and nine on the quarter system. All nine UC campuses are on the quarter system. The conversion of semester unit costs can be accomplished by multiplying the former by two-thirds.

3 Not available from the University of California.

Note: Italicized figures have been derived by Department of Finance and are subject to modification when the University of California is able to provide the requested data.

consolidation of the gains made during the past 10 years. Table 7 displays the dramatic enrollment adjustments expected nationally and anticipated similarly in California over the next few decades.

The declining rate of growth suggests, among other things, deliberation before creating new doctoral programs and concentrating doctoral training and research in fewer institutions; limiting capital outlay so as not to create excess capacity in the 1980's and to avoid imposing a burdensome heritage of low use facilities upon the future.

Both externally and from within, influences are pressing for change in higher education. To avoid stagnation, responsiveness and flexibility must be the guidelines if our academic institutions are to participate as agents of change in the dynamic society.

The problem of an aging faculty is particularly pressing. Attention must be given now by education's managers to alternatives to the tenure system, to earlier retirement, and to systemwide appointment, if flexibility in the use of resources is to be maintained.

In looking to the future, much interest revolves around the efforts of two assigned groups reviewing the state's Master Plan for Higher Education. The Legislative Joint Committee on the Master Plan for Higher Education and the Select Committee on the Master Plan for Higher Education appointed by the Coordinating Council for Higher Education, are reviewing the educational and structural premises underlying the existing higher educational system in California. Their recommendations to be released during the 1973 legislative session could have substantial impact on governance, structure and planning processes throughout California higher education.

Capital Outlay

Capital Outlay expenditures for the California State University and Colleges of \$66,405.600 are proposed for 1973–74. Of this, \$48,096,000 will be provided from the Capital Outlay Fund for Public Higher Education, including \$24,003,000 from Chapter 1, Statutes of 1971, First Extraordinary Session to finance high priority projects. State support includes \$2,000,000 for minor improvement projects. In order to make the most effective allocation of available resources, academic program direction, and the level of utilization of existing facilities were considered in establishing the proposed capital outlay priorities.

The University of California system comprises eight general campuses and five health science facilities. It is within the capital outlay budget that funding for the physical plant of this system is contained. There are essentially two capital outlay budgets this year, one for the general campuses and one for health sciences. The state is recommending \$29.8 million for general campus capital outlay in 1973-74. The Health Sciences Bond Issue of 1972 was passed in November 1972 and will provide \$156 million for UC health science facility construction over the next five years. In 1973-74, \$54 million of that sum is recommended for expenditure. In addition, \$2.4 million from COFPHE will be provided for safety deficiencies in the health sciences. In this discipline, continuing attention must be given to the relative need for professional health manpower specialties. This budget encourages general practice emphasis in health science physical facilities as well as in related academic program areas.

Both the California State University and Colleges and University of California capital outlay budgets reflect efforts to encourage more efficient use of resources. The leveling off of enrollments in both systems during the 1970's requires the exertion of considerable care in making certain that excess investment is avoided. Studies such as that on the duplication of library facilities, and considerations such as the developing trend in education toward external degree programs and the "open-university" concept have also provided perspectives which have influenced planning in this budget.

Included in the 1973–74 budget is a community college capital outlay program totaling \$70,349,684 involving 33 districts. Of this amount, a state appropriation of \$35,990,100 is to be provided through a community college construction bond act which was approved by the electorate in November, 1972. An additional \$34,359,584 is to be provided from local (district) sources. Of the projects proposed, 38.3 percent of the funds will be directed toward general academic and lecture facilities and 45.8 percent toward science and vocational-technology facilities.

This budget includes \$20,000,000 in state funds for 1973-74 for the Department of Education. A total of \$43,000 was provided in 1972-73 to study the feasibility of relocating the department's Berkeley schools for the deaf and blind. Both the State Fire Marshal and the Office of Architecture and Construction have strongly recommended that those facilities be rehabilitated or relocated to ensure the safety of enrolled children. The funds proposed for 1973-74 are intended for design and construction of appropriate facilities to solve these problems.

State Construction Programs

Capital outlay construction is divided into six basic programs. The most encompassing is the State Building Program which includes projected capital outlay requirements for publicly supported higher education, mental hygiene, corrections, and for office space. It also provides for meeting the requirements of several agencies, including the Department of Conservation, Military Department, and the Department of General Services.

The State Highway Program is a quasi-legislative program designed to provide a safe, efficient, serviceable, and environmentally compatible system of state highways which will connect all major population centers and will provide for continuity of travel throughout the state and connect with major highways in adjacent states.

The District Fair Construction Program provides the funding for construction of facilities for district agricultural associations. The details of these projects will be found in a supplemental volume containing the budgets of the individual fairs.

The Wildlife Conservation Program, as administered by the Department of Fish and Game and the Wildlife Conservation Board, provides for the protection, propagation, and management of the state's fish and wildlife resources.

The Parks and Recreation Acquisition and Development Program consists of the continuing development of facilities to meet California's recreational needs. The 1973–74 budget of this program includes funds from the State Beach, Park, Recreational and Historical Facilities Bond Act of 1964, the Recreation and Fish and Wildlife Enhancement Bond Act, and the Bagley Conservation Fund.

The California Water Facilities Program reflects the funding of the State Water Project as it enters its 12th year. The work under contract or completed on this project represents over 99 percent of the total project.

The sources from which the capital outlay budget is funded are described below:

 Current revenues and any accumulated balances in governmental cost funds. These are moneys collected in the form of taxes, license and permit fees, interest on investments, and similar items of income. 2. The proceeds from the sale of general obligation bonds which bonds are secured by the "full faith and credit" of the state. Outstanding bonds of this kind are (a) State Construction Program bonds, and (b) State Beach, Park, Recreational, and Historical Facilities bonds. The repayment of principal and interest on such indebtedness constitutes a preferred claim on the financial resources of the state. Within this classification falls a special category referred to as "selfliquidating" bonds. Bonds in this category are the California Water Resources development bonds. In the case of this special grouping, such bonds although legally possessed by the characteristics of general obligation bonds are serviced from the revenues produced by the ventures or projects financed in this manner.

3. Revenue bonds are those that are secured solely by the income derived from the use or operation

of the facilities funded by this method.

4. Trust certificates represent a form of capital financing which makes use of the large balances accumulated in trust accounts or funds of the state. Because such funds are dedicated to meet future obligations, sound fiscal management dictates the investment of the currently unneeded cash in these accounts and funds. One way of investing these moneys is by the purchase of trust certificates issued by the state for the construction of general purpose office buildings.

5. Nonstate funds such as federal and private grants, endowments, and certain other funds as payments of overhead charges on research projects conducted by the University represent yet

another source of capital financing.

To provide a complete and comprehensive picture of the state's capital outlay program all proposed projects are included in the capital budget regardless

of the source of financing.

Following the generally accepted principles of governmental accounting, however, only expenditures from governmental cost funds are included in the budget totals. Expenditures from bond proceeds and other forms of borrowing are excluded—such expenditures are reported as expenditures of the fiscal years in which the payments on principal and interest are made.

Revenue Estimates

State revenues for the 1973-74 fiscal year are estimated at \$8,948,830,353, approximately \$1,144 million above the amount anticipated during 1972-73. Of the above, \$7,257,782,116 is for the General Fund and \$1,691,048,237 accrues to the various special funds.

Tax yields generally follow changes in economic activity. The economy in 1973 will record a further strong expansion accompanied by higher corporate profits, strong gains in consumer spending, and a substantial increase in personal income of Californians.

Revenue for the General Fund in 1973-74 is estimated at \$7,257,782,000 * or \$1,147 million more than in the current year. The unusually large growth in receipts is largely due to increases in sales tax and bank and corporation tax rates to fund the major school finance and property tax relief measure enacted during 1972. Provisions of that legislation and the resultant revenue changes are discussed below.

Estimated receipts for the special funds in 1973-74 total \$1,691,048,000, or \$2.7 million less than the current fiscal year. Legislation passed during the 1972 session repealed the motor vehicle transportation tax effective July 1, 1973, and only revenue attributable to audit activity will be received from that tax in

1973-74.

Receipts for the General Fund and special funds for the past, current and budget years are shown in Table 1.

TABLE 1 State Revenue Collections (In millions)

,		-,		Percent
Taxes, fees, etc.	Actual 1971-72	Estimated 1972-73	Estimated 1973-74	of total 1973–74
General Fund:				
Sales and use	\$2,016.0	\$2,262.0	\$3,000.0	33.5
Personal income	1,785.6	1,995.0	2,175.0	24.3
Bank and corporation	662.5	815.0	995.0	11.1
Inheritance and gift	220.2	284.8	311.3	3.5
Insurance	170.2	189.0	202.6	2.3
Cigarette	173.5	176.1	178.5	2.0
Alcoholic heverage	119.6	123.4	127.0	1.4
Horse racing	60.6	63.0	63.0	0.7
Private car	4.6	5.8	6.3	0.1
Other sources	175.4	196.9	199.0	2.2
Totals, General Fund	\$5,388.1	\$6,111.0	\$7,257.8	81.1
Special Funds:				
Motor Vehicle:	0=10.4			
Fuels	\$712.4	\$759.1	\$798.2	8.9
Registration, welght, etc.*	288.2	307.1	321.9	3.6
License fee *	259.6	280.7	297.6	3.3
Transportation	28.6	31.0	0.8	-
Cigarette	73.9	75.4	76.5	0.9
Alcoholic beverage	12.6 8.8	14.1	13.5 12.2	0.2
Horse racing	124.5	8.9 217.4	170.4	0.1
Other sources †	124.5	217.4	170.4	1.9
Totals, Special Funds	\$1.508.7	\$1,693.8	\$1,691.0	18.9
TOTALS	\$6.896.8	\$7,804.8	\$8,948.8	100.0
* Includes off-highway vehicle fees.	40.000.0	4.,001.0	ψυ,υ10.0	200.0

[†] Includes personalized license plates.

1972 TAX REFORM LEGISLATION Chapter 1406 (SB 90)

The major administration legislative program enacted during 1972 provided for increased school financing by the state, property tax relief and renter relief. Major provisions of this bill are:

Homeowners' Exemption

The homeowners' property tax exemption was raised from \$750 to \$1,750 of assessed value, effective 1973–74.

Personal Property Tax Relief

The business inventory exemption was increased from 30 percent of assessed value to 45 percent in 1973-74 and to 50 percent thereafter.

Renter Credit

A renter credit of \$25 to \$45 is provided against income tax liability beginning with the 1973 income year. If the allowable credit is greater than the liability, a refund may be claimed for the excess.

School Support

State school support was increased by \$561 million in 1973-74 through: (a) increases in the basic support guarantee per child, (b) initiation of an educational need factor, and (c) first year funding of Early Childhood Education. The basic support guarantee per child will be adjusted in subsequent years to eliminate "slippage" and thus maintain the state's share of public school support.

Tax Rate Limits

Tax rate limits were imposed on cities, counties, and special districts. The base year for determination of the rates for cities and special districts is 1972–73 while counties may choose between 1971-72 and 1972-73. The act also provides a floor for revenue growth for each unit of government equal to the sum of the percentage growth in the consumer price index and the area's percentage growth in population.

A system of revenue controls was made applicable to school districts. The system is expected to result in a rollback of about \$234 million in school district taxes in 1973-74. The revenue limits will be adjusted annually by an inflation factor to be developed jointly by the Department of Education and the Department of Finance.

Other Features

The legislation also increased state reimbursement under the Williamson Land Conservation Act to more fully fund local property tax losses, effective 1973-74. Also, beginning June 1, 1973, public assistance grants will be increased by \$2 per month to assure that the sales tax increase does not work as a hardship on welfare recipients. The Act provides for state reimbursement to local government for any new state or court mandated programs or increased levels of service and for any state enacted exemption from the property or sales tax.

^{*} This and subsequent dollar amounts have been rounded. Totals, differences, and percentages have been computed from whole numbers.

TABLE 2 Estimated Program Expenditures, Chapter 1406 (SB 90) (In millions)

	1973-74
School support	\$561
Homeowners' exemption	396
Business inventory exemption	68
Renter refund	40
Open space	7
Welfare adjustment	12
Total	\$1.084

The revenues necessary to fund this program are:

(1) An increase in the general bank and corpora-

- (1) An increase in the general bank and corporation tax rate from 7.6 to 9.0 percent, beginning July 1, 1973. The maximum tax rate paid by banks and other financial corporations is raised from 11.6 percent to 13.0 percent.
- (2) An increase in the sales and use tax rate from 3³/₄ to 4³/₄ percent, effective June 1, 1973.

Changes in revenue attributable to the above legislation are shown below:

TABLE 3
Estimated Revenue Effect of Chapter 1406 (SB 90)

(In millions)		
Tax Source	1972-73	1973-74
Sales and use	\$51	\$623
Bank and corporation		116
Personal income 1		-66*
Totals	\$51	\$673
* Does not include \$40 million of renter refunds.		
1 Reduction in income tax due to renter credit		

In addition, state government's share of general federal revenue-sharing of \$215 million is earmarked for transfer to the State School Fund, beginning in 1973-74.

THE NATIONAL ECONOMY

The national economy rebounded sharply during 1972 with strong gains in employment, real output, personal income, and corporate profits, and a further reduction in the unemployment rate. Phase II wage and price controls were effective in moderating inflationary pressures. It appears that the stage has been set for further strong expansion during 1973.

The 1973 forecast has been based on five primary assumptions:

1. Phase II will continue through 1973 in approximately its present form.

2. Monetary policy will be designed to achieve a six to seven percent growth in the nation's money supply. The Federal Reserve System will thus accommodate further expansion without encouraging a renewal of inflationary pressures.

3. Fiscal policy will be designed to hold federal spending as close to \$250 billion during the current year as possible.

4. No prolonged labor disputes will occur.

5. No international monetary crisis will occur during the forecast period.

The momentum built up during the latter months of 1972 will continue into 1973, resulting in a strong first half with large gains in most sectors and continuing strength—but at a somewhat more moderate pace—during the second half. Four factors in particular will stimulate the economy this year. In the first place, overwithholding on personal income during 1972 will result in substantial refunds during the first and second quarters 1973. These refunds will strengthen the expansion in consumer expenditures, especially for durable goods. It is anticipated, how-

ever, that overwithholding will continue at approximately half the rate of 1972 since many individuals appear to be using the deduction as a savings plan.

Second, record levels of residential building during the past year will lead to further gains in expend-

itures for household furnishings.

A third stimulant is the fact that inventories have been under tight control since the 1970 recession and are inadequate to support the strong real gains anticipated for the year. As a result, major inventory accumulation is likely to occur in 1973.

Finally, revenue sharing will further improve the fiscal position of State and local government units.

Efforts to hold federal spending down are expected to occur primarily in social programs under Health, Education and Welfare, and in the defense sector. The latter suggests cutbacks in defense personnel, reductions in various military bases, and no expansion of procurement programs or research and development activities.

THE CALIFORNIA ECONOMY

It now appears that economic gains in the state during 1972 were considerably stronger than anticipated or indicated by available economic series. The gain in personal income—estimated at 8.6 percent—was fractionally higher than the national increase. Civilian employment was up 3.5 percent last year, with the unemployment rate declining markedly to an average 5.9 percent.

The employment series used in this forecast differ from those published by the Department of Human Resources Development. Recent data available from that department suggest that employment growth since mid-1971 has been substantially greater than indicated by the published figures. It has not been possible for HRD to rebench the official state series in time for inclusion in this budget. The Department of Finance has, therefore, constructed a tentative series which takes into consideration the more recent data. It is expected that this new series will closely approximate the official HRD data when that becomes available. Forecasts for 1973 and 1974 are based on the Finance series.

It is anticipated that the current momentum will carry through 1973 with further substantial economic gains recorded for the year. Civilian employment is expected to rise by 2.8 percent with strong gains in the service and trade sectors in particular-sectors which were adversely affected by the 1970 recession. Strength in manufacturing will be attributable to a moderate expansion in the aerospace industry (primarily in electrical equipment production) as well as to a notable increase in other durable goods manufacturing. The growth in government will be attributable primarily to expansion at local levels; federal employment is expected to decline slightly as a result of budget restrictions. With rising employment and with labor force growth approximately the same as during 1972, the unemployment rate will fall to an average 5.4 percent. Personal income is forecast at \$111.5 billion, a gain of 9.1 percent from last year. The strong gain in transfer payments reflects the first full year effect of the recent 20 percent increase in social security benefits.

The construction industry is not expected to provide the economic support in 1973 that it did in 1972.

ECONOMIC DATA (Dollar amounts in billions)

N. C. T. D. A.		193	72	19	73
National Data	1971	Amount	Percent change	Amount	Percent
Gross national product	\$1,050,4	\$1,150.5	9.5	\$1,260.0	change 9.5
Personal consumption expenditures	664.9	720.7	8.4	784.5	8.9
Nondurable goods	$103.5 \\ 278.1$	$116.5 \\ 298.9$	$^{12.6}_{7.5}$	$128.4 \\ 323.1$	10.2
Services	283.3	305.3	7.8	333.0	$\begin{array}{c} 8.1 \\ 9.1 \end{array}$
Gross private domestic investment	152.0	178,4	17.4	196.5	10.1
Fixed investment	148.4	173.2	16.7	187.8	8.4
Residential Nonresidential structures	$\frac{42.6}{38.4}$	$53.5 \\ 41.7$	$\begin{array}{c} 25.6 \\ 8.6 \end{array}$	$53.3 \\ 46.4$	-0.4
Producers' durable equipment	67.4	78.0	15.7	88.1	$\frac{11.3}{12.9}$
Change in inventories	3.6	5.2	_	8.7	
Net exports	0.7	-3.9	-	-1.0	-
Government purchases	232.8	255.3	9.7	280.0	9.7
Federal Defense	$\frac{97.8}{71.4}$	$\frac{106.8}{76.9}$	$\frac{9.2}{7.7}$	$113.0 \\ 80.5$	5.8
Other	26.3	29.9	13.7	32.5	4.7 8.7
State and local	135.0	148.5	10.0	167.0	12.5
Personal income	861.4	934.7	8.5	1,015.0	8.6
Less: Personal taxes and nontax payments Federal	$\frac{117.0}{89.6}$	$140.4 \\ 108.4$	$\frac{20.0}{21.0}$	$146.5 \\ 110.7$	$\frac{4.3}{2.1}$
State	$\frac{35.0}{27.4}$	32.0	16.8	35.8	11.9
Disposable income	744.4	794.3	6.7	868.5	9.3
Savings	60.9	54.4	-10.7	63.9	17.5
Savings rate (%)	8.2	6.8	199	7.4	12.0
Corporate profits before taxes	\$83.3 121.3	\$94.4	13.3	\$107.5	13.9
Consumer price index (1967 = 100) Civilian labor force (000)		$125.3 \\ 86.643$	3.3 3.0	129.6 88,383	$\frac{3.4}{2.0}$
Unemployment (000)	$84,113 \\ 4,993$	4,933	-1.2	4,563	-7.5
Unemployment rate (%)	5.9	5.7		5.2	
Employment (000)	79,120	81,710	3.3	83,820	2.6
California Data					
Personal income	\$94.1	\$102.2	8.6	\$111,5	9.1
Wages and salaries	62.6	68.8	10.0	75.3	9.4
Other labor income	3.5	4.0	13.9	4.4	10.1
Proprietors' incomeProperty income	$\begin{array}{c} 7.2 \\ 13.0 \end{array}$	$\begin{array}{c} 7.5 \\ 13.5 \end{array}$	4.3 4.1	$\begin{array}{c} 8.0 \\ 14.2 \end{array}$	6.3 5.5
Transfer payments	11.6	12.6	8.7	14.6	16.0
Less: Contributions for social insurance	3.8	4.3	12.9	5.1	18.7
Personal taxes	10.5	13.4	27.9	13.6	1.4
Federal income taxState income tax	$\frac{9.2}{1.3}$	$\substack{11.2\\2.2}$	$\frac{21.8}{70.7}$	$^{11.5}_{2.1}$	2.8 -5.3
Disposable income a	83.6	88.8	6,2	97.9	10.3
Taxable corporate profits	7,470	8,415	12.7	9,400	11.7
Civilian lahor force (000)	8.621	8,818	2,3	9,025	2.3
Unemployment	599	516	-13.9	490	-5.0
Unemployment rate (%)	6.9	5.9	_	5.4	-
Employment (000)	8,022	8,302	3.5	8,535	2.8
Nonagricultural wage and salary workers Mining	6,932	$7,215 \\ 30$	4.1 n.c.	$\substack{7,450\\30}$	3.3 n.c.
Construction	30 301	$\frac{30}{327}$	8.6	315	-3.7
Manufacturing	1,472	1,519	3.2	1,569	3.3
Aerospace	440	454	3.2	1 000	3.5
Other Transportation—communications—utilities	$\begin{array}{c} 1,032 \\ 454 \end{array}$	$^{1,065}_{457}$	$\frac{3.2}{0.7}$	$1,099 \\ 464$	$\frac{3.2}{1.5}$
Trade	1,554	1,625	4.6	1,690	4.0
Finance—insurance—real estate	386 1,278	409	6.0	429	4.9
Services	1,278	1,350	$\begin{array}{c} 5.6 \\ 2.9 \end{array}$	1,415	4.8
Government Other nonagricultural	$^{1,456}_{802}$	1,498 806	$0.5^{2.5}$	1,538 810	$\frac{2.7}{0.5}$
Agriculture	288	281	-2.4	275	-2.1
Number of residential huilding permits (000)	255	280	9.8	220	-21.4
New car sales (000)	1,004	1,080	7.6	1,100	1.9
Taxable sales	\$46.8	\$54.0	15.3	\$60.3	11.8
Consumer price index (1967=100)	119.1	123.3	3.5	127.6	3.5
a Disposable is some of California posidos to possessorte	, .		1:	4 041	a.mal tam

a Disposable income of California residents represents personal income less federal and state personal income taxes. Other personal tax and nontax payments have not heen deducted.
 NOTE: Totals may not add due to rounding. Percentages have heen computed from unrounded data.

Nonresidential construction will be unchanged in real terms, but up 7 percent in dollar terms to account for price increases. Residential building is likely to taper during the year. From census data now available, it appears that some overbuilding has taken place in the state, especially of multifamily units. Vacancy rates—already high in some areas—will continue up gradually, leading to eventual cutbacks in the number of units built. It is expected that 220,000 housing units will be authorized during the coming year, a 21 percent decline from 1972. Even at this level, residential building will be a strong factor in the economy.

The forecast for 1974 assumes further expansion, although at a more moderate pace than during the two prior years. A further above-average increase in employment will support the rise in personal income—expected to amount to \$121 billion. Another reduction in housing activity is also anticipated with starts reduced to 175,000 units, close to long-term demand levels.

It has been assumed in the forecast for both 1973 and 1974 that the state has already felt the effects of winding down the Vietnam war and there will be no further impact on the economy when a peace treaty is finally signed. In addition, no attempt has been made to estimate the impact on the state of significant defense cuts resulting from the national budget ceiling. It may be anticipated, however, that California will share proportionately in any reductions in base activities and the number of both military and civilian personnel. Quantification of the likely impact will be undertaken when more definite information on the nature and extent of federal spending limitations becomes available.

GENERAL FUND REVENUE

Almost 81 percent of aggregate state revenue is deposited in the General Fund. This includes collections from such levies as those on sales of tangible personal property, personal income, corporate profits and insurance premiums. For the most part, these taxes are geared directly to business conditions. Hence, the estimates of revenue from each source flow directly from the economic assumptions outlined above. The influence of these economic factors upon the various tax bases and the methods used in preparing the budget revenue estimates are summarized in the following material.

Sales and Use Tax-\$3,000,000,000

A state tax—presently at $3\frac{3}{4}$ percent but changing to $4\frac{3}{4}$ percent in June 1973—is imposed on the sale or use of tangible personal property for final consumption. An additional $1\frac{1}{4}$ percent tax is collected by the state for local government, but this is not state revenue and is not included in budget totals. Also excluded from the budget totals is the $\frac{1}{2}$ percent tax levied in Alameda, Contra Costa, and San Francisco counties for support of the Bay Area Rapid Transit District.

There are many exemptions from the sales tax, the most significant of which are food for off-permises consumption, other than hot take-out food; gas, electricity, and water supplied by utilities; and prescrip-

tion drugs. Since the tax applies only to tangible personal property, sales of all types of services are excluded, as are sales of other intangibles such as patents, copyrights and securities. Because buildings and land are real property rather than personal property, no tax is levied on the sale or rental of a new or existing building, but the materials used in construction are subject to tax. The final consumer may be a business instead of a person, so the tax base includes products for business use such as industrial machinery and office supplies.

Three major bills were enacted in 1971 and 1972 which affect the sales tax in the current and budget years. Chapter 1400, 1971 Regular Session, (SB 325), operative July 1, 1972, provided additional local revenue for support of public transit systems by reducing the state tax rate from 4 to $3\frac{3}{4}$ percent, raising the county rate from 1 to $1\frac{1}{4}$ percent and removing the sales tax exemption on gasoline. Any additional money produced by this bill which would otherwise go to the General Fund is to be transferred to the new State Transportation Fund. However, it is estimated that SB 325 will result in a General Fund revenue loss in 1972–73 and 1973–74 of about \$4 and \$10 million, respectively.

Chapter 1741, 1971 Regular Session, (AB 2109), operative January 1, 1972, exempted candy and chewing gum from the sales tax and imposed the tax on hot take-out food. It also changed the method of applying the auto use tax to correct a downward bias in valuation of used vehicles. It is estimated this legislation increased revenue by \$4 million in 1971–72, and will raise revenues by \$8 and \$11 million in 1972–73 and 1973–74, respectively.

Chapter 1406, 1972 Regular Session, (SB 90), provides for an increase in the state sales tax rate from $3\frac{3}{4}$ percent to $4\frac{3}{4}$ percent, operative June 1, 1973. It is anticipated that this bill will generate \$51 million in 1972–73 and \$623 million in 1973–74.

Taxable sales in calendar 1972 are estimated at \$54.0 billion, up 15.3 percent from 1971. The strongest gain was in the automotive group, up 33.9 percent, largely attributable to the removal of the sales tax exemption on gasoline in July 1972. The building material sales component, up 15.7 percent, reflected the recent housing boom, and sales by manufacturers and wholesalers, up 13.4 percent, are consistent with the high investment in plant and equipment shown in the national income accounts.

In 1973, taxable sales are estimated at \$60.3 billion, up 11.8 percent. The automotive group is expected to increase substantially again—up 21.2 percent reflecting the first full year of gasoline being subject to the sales tax. Other components increase at rates consistent with the anticipated slowdown in building and a moderation in economic expansion in the latter part of 1973.

Total taxable sales in 1974 are estimated at \$64.3 billion, up 6.6 percent. Sales trends in 1974 again reflect strong but more normal growth of the economy.

Taxable sales are estimated by two methods. One method utilizes a multiple regression equation to estimate total sales in constant dollars using as independent variables personal disposable income in constant dollars, the number of wage and salary workers in manufacturing and construction, the number of new

vehicles sold and the savings rate. Sales in constant dollars are then converted to current dollars by application of the appropriate price factor. A second estimate is made by classifying taxable sales into 15 homogeneous groups, each of which is related to an appropriate factor. The two estimates are then reconciled. The final results are shown below.

TABLE 5
Taxable Sales in California
(In millions)

	1971	1972	Percent Change		Percent Change		Percent Change
Retail stores except automobiles and							
Motor vehicle dealers	\$21,705	\$23,755	9.4	\$26.320	10.8	\$28,410	7.9
—auto parts, etc. Building material sales including contrac-	7,976	10,680	33.9	12,940	21.2	13,670	5.6
tors Manufacturing, whole- sale and miscel-	4,762	5,510	15.7	5,820	5.6	6,070	4.3
laneous	12,371	14.025	13.4	15,240	8.7	16,170	6.1
Total	\$46,815	\$53,970	15.3	\$60,320	11.8	\$64,320	6.6
Note: These figures in Chapter 1741 (ne) and

Sales and use tax receipts, including revenue attributable to audit activities of the Board of Equalization, and including the effects of legislation described above, are shown below:

1971-72	(Actual)	 \$2,015,993,478
1972-73	(Estimated)	 \$2,262,000,000
1973-74	(Estimated)	 \$3,000,000,000

Personal Income Tax-\$2,175,000,000

The income tax is based on the amount of taxable income received by taxpayers, computed by deducting from adjusted gross income either all itemized deductions or the standard deduction of \$1,000 for single or \$2,000 for joint returns. Progressive tax rates ranging from 1 percent on the first \$2,000 taxable income for single returns (\$4,000 for joint returns) to 11 percent on taxable income in excess of \$15,500 for single returns (\$31,000 for joint returns) are applied to yield the computed tax. A credit of \$25 or \$50 for single or joint returns, respectively, plus \$8 for each dependent, is allowed against the computed tax to derive the taxpayer's actual liability.

Income tax revenue is determined largely by the amount and type of income received by Californians. The revenue attributable to each type of income fluctuates from year to year in response to changes in the amount of income received from each source, and changes in the distribution of income among income brackets. Estimated distributions for 1971, 1972, and 1973 are shown below.

TABLE 6

Type of Income	Actual 1971	Estimated 1972	Estimated 1973
Wages and salaries	67.1	68.8	69.9
Business	13.8	12.8	12.6
Capital gains	5.6	5.9	6.3
Dividends	4.8	4.4	3.9
Interest	4.6	4.2	3.8
Rent and miscellaneous	4.1	3.9	3.5
Total	100.0	100.0	100.0

Percent of Tax Attributable to Each Type of Income

Income from the various sources is distributed differently among income brackets as is illustrated below for wages and salaries and capital gains. A comparable loss or gain in income from wages and salaries and capital gains does not have the same impact on state income tax revenues. Since capital gains income is skewed towards the higher income brackets, higher tax rates are applied to the taxable portion of gains and the effect on state revenue is substantially larger than a comparable gain in wage and salary income.

TABLE 7

Percent of Tax Attributable to Wages and Salaries and Capital Gains by Income Class, 1971

Adjusted Gross Income	Wages and Salaries	Capital Gains
\$0-\$9,999	9.3	1.1
10.000-24.999	60.1	10.7
25,000-49,999	20.4	16.9
50,000-99,999	7.0	18.7
100.000 and over	3.2	52.6
		
Total	100.0	100.0

The revenue from each type of income is estimated separately. The estimates of tax attributable to wages and salaries, dividends, interest, and business income are derived from equations relating receipts from each tax to its personal income component. Estimated receipts from rental and miscellaneous income are based on an analysis of past trends. The tax attributable to capital gains is estimated by an equation using the price and volume of shares sold on the New York Stock Exchange.

Since January 1972 part of the personal income tax has been collected through a system of withholding and declarations of estimated tax. Withholding requires that the employer deduct income tax from paychecks and remit to the state specific amounts to be applied against the employee's state income tax liability the next April. Employers withholding more than \$100 per month are required to remit monthly while other employers must remit quarterly. A quarterly estimated tax payment is also required of those tax-payers whose tax due in April is expected to be at least \$100 more than the amount withheld. The estimate payments are due on the 15th day of April, June, September and January.

A special 20 percent "forgiveness" tax eredit was allowed against 1971 tax liabilities to partially compensate taxpayers for having to pay additional income tax in the year when the withholding system began. This credit reduced tax receipts by \$241 million in 1971–72.

The development of the current and budget year income tax revenue estimates was based on projections of total income year assessments. These estimates were converted to the withholding base by adjusting for increased compliance, accelerated collections and the phaseout of certain filing enforcement activities. Then, based on the experience of other states and the federal government, and California's experience with withholding to date, the estimates of calendar year assessments were allocated among the various methods of collection (withholding, declarations, miscellaneous and refunds) and distributed monthly to arrive at fiscal year revenue totals.

Four bills were enacted in 1972 which significantly affect the personal income tax in the budget year. (1) Chapter 1406 (SB 90) institutes a new provision under which a renter may claim an income tax credit of from \$25 to \$45 (depending on income)

against his 1973 income tax liability. If his liability is less than the amount of the allowable credit he may claim a refund for the excess. The credit portion of this provision is expected to reduce revenue by \$70 million—the refund will result in a \$40 million expenditure. (2) Chapter 1359 (AB 339) liberalizes the military pay exclusion and will reduce revenue by \$2 million. (3) Chapter 1429 (AB 984) conforms California law with the federal "surviving spouse" provision and will reduce revenue by \$1 million. (4) Chapter 1260 (AB 1724) allows a sliding scale income tax credit of up to \$125 per child for the cost of educating dependents in private elementary and secondary schools, and is expected to reduce revenue by another \$16 million.

Total revenues for the years covered by this budget, after adjusting for 1972 legislation (exclusive of the refund portion of the renter relief) are as follows:

1971-72 (Actual)	\$1.785.617.985
1972-73 (Estimated)	\$1,995,000,000
1973-74 (Estimated)	

Bank and Corporation Tax-\$995,000,000

The bank and corporation tax has two components: the franchise tax, which is levied for the privilege of doing business in California in the succeeding year; and the corporation income tax, which is levied against corporations doing business only indirectly in this state, such as by mail-order sales. Revenue collections from these sources in the current and budget years depend upon corporate profits from operations in California during 1972, 1973 and 1974. The tax for 1972-73 has been estimated from responses solicited from a stratified sample of corporations doing business in California in all industries; this sample represents almost one-half of the tax base. Results indicate that taxable income for every industry group will be higher than previous levels, as shown by the following table:

TABLE 8
Taxable Corporate Income in California *

Industry	1970	1971	Percent change	1972	Percent change
Agriculture	\$76	\$87	14.5	\$102	17.2
Mining and oil production	237	273	15.2	296	8.4
Construction	240	248	3.3	255	2.8
Manufacturing	2.195	2,548	16.1	3,050	19.7
Trade	1,518	1,656	9.1	1.708	3.1
Service	429	454	5.8	544	19.8
Financials (subject to					
bank tax)	627	708	12.9	900	27.1
Real estate and other					
financials	476	617	29.6	628	1.8
Utilities	874	879	0.6	932	6.0
Totals	\$6,672	\$7,470	12.0	\$8,415	12.7
* Miles A					

* These figures represent income of corporations with accounting periods ending August 1 of the year shown through July 31 of the following year; this method of reporting roughly approximates the federal system of reporting corporate profits in the year earned.

To estimate the California corporate tax base for 1973-74, an analysis was made of the ratios of California to United States corporate profits in the postwar period. In general, taxable corporate income in this state varies less from year to year than corporate profits nationally because a larger percentage of such income in California is outside the volatile manufacturing industries. Giving consideration to those factors which will have a significant impact on both the California and national economies in the coming two years, it is estimated that taxable California corporate

income will reach \$9.4 billion in 1973. California corporate income is therefore expected to increase 12.7 percent during 1972 and 11.7 percent during 1973, while national increases of 13.3 percent and 13.9 percent are expected during the two periods. These growth rates result in a decrease in the ratio of California to United States corporate profits which is typical of those recent years in which the growth in profits has been strong nationally.

Significant changes were made in the tax law during the 1971 and 1972 legislative sessions which resulted in substantial growth in the tax during the current and budget periods.

Chapter 1406 (SB 90), enacted during the 1972 Regular Session, increased the rate of taxation on corporations to 9 percent, as of July 1, 1973. This will increase revenues by an additional \$116 million during the budget year. The act also increased the business inventory exemption from 30 percent to 45 percent, thereby increasing taxable profits by the amount no longer deductible as property tax. However, it is anticipated that this increased profit allowance will be largely offset by the increased deduction claimed by corporations from sales tax at the new 6 percent level.

After adding payments attributable to audit activities of the Franchise Tax Board and adjusting for legislation, total revenue is estimated as follows:

1971-72	(Actual)	\$662,521,906
1972 - 73	(Estimated)	\$815,000,000
1973-74	(Estimated)	\$995,000,000

Inheritance and Gift Taxes—\$311,300,000

The inheritance tax is imposed on the right to inherit property or succeed to property transferred in contemplation of death. Any other gift of property in excess of \$3,000 per donee is subject to the gift tax. Both laws apply the same rate and exemption schedule. The rate of taxation varies according to the size of the transfer and the relationship of the recipient to the decedent or donor. The exemptions granted to each class of donee also decrease as the relationship recedes. State revenue from these taxes is therefore contingent upon the number of transfers made during the year, the value of estates or gifts at the time of death or transfer, and the relationship between the decedent or donor and the beneficiary.

Chapter 1, 1971 First Extraordinary Session (AB 1), brought the inheritance tax into conformity with the federal estate tax by abolishing the 5 percent discount for early payments and shortening the delinquency period from 24 months to 9 months on all deaths occurring on or after December 8, 1971. Thus, revenues for the current and budget years will include payments under both the old and the new laws.

Chapter 1741, 1971 Regular Session (AB 2109), effective January 1, 1972, brought California's gift tax law into conformity with its federal counterpart by making payments due one month and 15 days after the close of the calendar quarter in which the gift was made. Prior to the law change, the tax was due April 15 of the year following the endowment.

Because stocks and real estate constitute the major components of estates, strong growth in inheritance tax receipts is projected for 1973–74 consistent with the outlook for continued economic expansion. It is anticipated that the projected strong gains in both personal income and stock market prices will be reflected in a higher value of gifts resulting in a significant growth in tax receipts in 1973–74. Estimated total revenue is shown below:

(In	thousands)		
	Actual 1971-72	Estimated 1972-73	Estimated 1973–74
Inheritance taxGift tax	\$200.374 19,818	\$265,000 19,800	$$290.000 \\ 21,300$
Total	\$220,192	\$284,800	\$311,300

Cigarette Tax—\$255,000,000

An excise tax of ten cents per pack is levied on the distribution of cigarettes in California. Seventy percent of the revenue collected is deposited in the State General Fund, with the remainder apportioned to counties and cities.

A projection of the total number of taxable eigarettes distributed in the current and budget year is the basis for the eigarette tax estimate. Since the 1967, 1968 and 1969 declines in taxable distributions, total consumption has increased steadily. It is estimated that taxable distributions will be 2.530 billion packs in 1972, and 2.542 and 2.595 billion in 1973 and 1974, respectively. Revenues based upon these factors are as follows:

(In thousands)

General Fund Special fund	Actual 1971–72 \$173,497 73,926	Estimated 1972-73 \$176,100 75,400	Estimated 1973-74 \$178,500 76,500
Total	\$247 423	\$251.500	\$255,000

Insurance Tax—\$202,600,000

Each year, foreign and domestic insurance companies pay a state tax for the privilege of doing business in the preceding calendar year. The tax is based on the amount of gross premiums written during the previous year less return premiums due to cancellation of policies or a reduction in rates. The rate in most instances is 2.35 percent; pension and profit sharing plans are taxed at 0.5 percent, while ocean marine insurers and surplus lines brokers are taxed at 5 percent and 3 percent, respectively.

Insurance companies may deduct from their gross premiums tax the amount of real property taxes paid on their principal or home offices in California. If the insurer is a domestic company which occupied or commenced construction of such principal office before January 1, 1970, and was organized under California law before 1967, it may deduct the full amount of the property tax from the gross premiums tax regardless of the space occupied. All other insurers may deduct only that portion of real property taxes represented by the ratio of office space actually occupied by the company to the total office space in the building. In 1971, 135 insurers claimed \$13,922,000 in principal office deductions. For the current year, it is expected that some 145 companies will claim \$15 million in principal office deductions—an increase of 8 percent over the previous year. The budget year estimate anticipates a rise in deductions to \$16 million.

All companies with a tax liability in excess of \$5,000 are required to make prepayments on May 15, August 15, and November 15. These payments are each 26.5 percent of their previous calendar year's liability; the remainder of the tax is due on April 1 of the following year.

The insurance tax estimate is based on responses to a questionnaire sent to a sample of 90 companies, which transact over 62 percent of the insurance business done in California. The sample responses contain projections of premium growth for the current year and for the budget year for specific lines of insurance and for all lines. From these projections, an estimate is obtained for the insurance industry as a whole.

The estimated tax for the current and budget year compared to the actual tax collected in fiscal year 1971–72 is shown below:

1971-72	(Actual)	\$170,178,550
1972 - 73	(Estimated)	189,000,000
1973-74	(Estimated)	202.600.000

Alcohalic Beverage Taxes—\$140,565,000

Excise taxes levied on the distribution of alcoholic beverages range from one cent per gallon on dry wine to \$2.00 per gallon on distilled spirits. These excise taxes on distilled spirits, beer and wine, along with fees received from licenses required for the manufacture and sale of alcoholic beverages, constitute the main revenue sources from alcoholic beverages.

With the exception of sweet wine, adult per capita consumption of alcoholic beverages has been steadily increasing. The per capita consumption of distilled spirits, beer, dry wine and sparkling wine has shown a strong correlation with per capita personal income received in California. Novelty wines have apparently attracted new customer groups and arrested the decline in per capita consumption of sweet wine.

Based on the expected rise in per capita personal income in California, the following per capita consumption of the different alcoholic beverages is estimated:

Apparent Adult Per Capita Consumption (In gallons)

	Actual 1971	Estimated 1972	Estimated 1973	Estimated 1974
Distilled spirits	3.66	3.72	3.80	3.85
Beer	29.54	30.45	31.25	31.95
Dry wine	3.67	4.11	4.50	5.00
Sweet wine	1.05	1.07	1.07	1.07
Sparkling wine	.33	.34	.35	.36

A buildup of beer inventories in April, May and June of 1973 is assumed in anticipation of a strike. This will inflate the 1972–73 tax receipts but will not affect calendar year consumption.

Revenues from liquor license fees are divided between the General Fund and the Alcoholic Beverage Control Fund. The General Fund receives all fees for new licenses, service charges, fees to enforce fair trade regulations, and all license transfer fees. All other fees, mainly license renewal fees, accrue to the Alcoholic Beverage Control Fund. Ten percent of this fund is transferred to the General Fund; the remainder is apportioned to cities and counties.

Estimated revenues for the current and budget years, compared with the actual revenue for 1971-72 are shown below.

TABLE 9 Alcoholic Beverage Taxes and Fees (In thousands)

	Actual 1971–72	Estimated 1972-73	Estimated 1973-74
Distilled spirits	\$94,717	\$98,000	\$101,500
Beer]		16,100	15,900
Dry wine[17,374 *	565	630
Sweet wine		285	275
Sparkling wineJ		1,350	1,395
Total Excise Taxes	\$112,091	\$116.300	\$119,700
Liquor License Fees	20,082	21,230	20,865
Total Taxes and Fees	\$132,173	\$137,530	\$140,565
General Fund	\$119,559	\$123,400	\$127,065
Special fund	\$12.614	\$14.130	\$13,500
* 6	20.		

^{*} Cannot be separated due to credits and adjustments.

Horse Racing Tax—\$75,256,000

The major portion of horse racing revenue is derived from a license fee imposed on the total parimutual handle (amount wagered) at each race meet. The license fee rate to be applied at each meet is dependent on the total handle at that meet. A 5.5 percent rate is applied at all meets which handle less than \$20 million. For those tracks which handle more than \$20 million, a 6.10 percent base rate is applied to the first \$20 million wagered and another rate, ranging from 5.70 percent to 7.45 percent depending on the total handle, is applied to the handle in excess of \$20 million.

In addition to the license fees collected on the amount wagered, the state receives all the breakage (the odd cents not paid to winning ticket holders) attributable to the handle in excess of \$50 million at each track where the total handle is less than \$125 million. At those tracks where the total parimutuel pools exceed \$125 million (Santa Anita and Hollywood Park), the state collects one-half of the breakage of the first \$24 million wagered and all of the breakage attributable to the handle in excess of \$24 million.

The other sources of horse racing revenue are: unclaimed parimutuel tickets, occupational license fees, fines and penalties, and miscellaneous revenue.

The projection of the amount of horse racing revenue to be collected in the fiscal year is based on estimates of the average daily handle for each race track for that year, taking into consideration past experience, law changes, and revisions in the racing calendar.

Total parimutuel handle, total receipts from horse racing, and final distribution among the various funds are shown below.

TABLE 10
Sources and Distribution of Horse Racing Revenue
(In thousands)

Total Parimutuel Pools Receipts:	Actual 1971–72 \$946,913	Estimated 1972-73 \$988,175	Estimated 1973–74 \$1,031,140
Parimutuel license fees Breakage Unclaimed parimutuel	$\substack{63,420 \\ 4,982}$	$65,815 \\ 5,108$	$\substack{68,848 \\ 5,372}$
tickets Occupational license fees, fines and penalties, mis-	647	621	640
cellaneous revenue	331	363	396
Total Revenue Distribution:	\$69,380	\$71,907	\$75,256
General Fund Fair and Exposition	\$60,580	\$62,995	\$63,008
Fund	8,050	8,162	11,498
Wildlife Restoration Fund	750	750	750

Private Car Tax—\$6,260,000

Railroad cars owned by companies other than railroads are taxed by the state rather than by local governments. The statewide property tax rate during the preceding fiscal year is applied against assessed valuations as determined by the State Board of Equalization.

Based on assessed value of \$50.3 million and a rate of \$11.43 per \$100 of assessed value, current year collections will total \$5,759,000. Actual collections in 1971–72 were \$4,552,000. Collections for 1973–74 are estimated at \$6,260,000.

Nontax Receipts—\$199,049,000

Miscellaneous receipts for the General Fund will total \$199.049,000 in the budget year, an increase of \$2,133,000 from the corresponding figure for the current period and up \$23,667,000 from 1971–72. Miscellaneous revenue is made up of five categories: medical aid reimbursements—\$46.8 million; interest income—\$64.2 million; pay patients and county board charges at hospitals—\$21.9 million; traffic penalties—\$17 million; and all other—primarily charges for certain services to business and individuals and sales of property—\$49.2 million.

SPECIAL FUND REVENUE

Provisions of the State Constitution, codes and statutes restrict the use of certain revenue for specified purposes, and these receipts are separately accounted for in various special funds. In general, they comprise three categories of income: (1) receipts from broad tax levies which are allocated to specified functions; (2) charges for special services to specific groups; and (3) rentals, royalties and other receipts earmarked for particular purposes. Motor vehicle taxes and fees illustrate the first of these classes. License fees for the regulation of business and professions are typical of the second. Oil and gas royalties, now assigned primarily to capital outlay for public higher education and water development, are examples of the third. In addition, interest received by the investment of special fund money is deposited in the fund for which the investments are held.

Motor vehicle taxes and fees account for 84 percent of all special fund revenue. Principal sources of this income are the motor vehicle fuel taxes, registration and weight fees, and vehicle license fees. During the 1973–74 fiscal year, \$1,420,300,000 will be derived from the ownership or operation of motor vehicles. Approximately \$643 million of this revenue will be returned to local governments. The remainder will be available for various activities related to state highways and services to vehicle owners.

Thirty percent of the cigarette tax revenue is now deposited in a special fund for distribution to the cities and counties. In 1973–74, receipts for this fund are estimated at \$76.5 million.

Charges for special services to industry, business and the professions, together with hunting, fishing and liquor licenses and other regulatory fees, will amount to \$86.4 million in 1973–74. Rents, royalties and other miscellaneous receipts are estimated to total \$97.7 million. Interest from investments held for the varieus special funds is projected at \$10.1 million.

Motor Vehicle Fuel Taxes—\$798,150,000

Taxes levied on the manufacture, sale or distribution of motor vehicle fuel for use in vehicles operated on the state's public roadways, constitute the major source of California's highway financing. Gasoline tax revenues are estimated on the basis of average gasoline consumption per vehicle; 672.5 gallons is projected for the current year and 676.2 gallons for the budget year. Average per vehicle consumption was 660.0 gallons in 1971–72. The significant increase in consumption is attributable to required smog control devices and the expanding use of low lead gasoline. Together, these factors work to reduce the efficiency of engines. Estimated tax receipts are computed by applying the seven cent per gallon tax rate to total gallonage.

Highway consumption of diesel fuel is estimated by projecting a trend based on past tax collections with adjustments made for changes in economic activity. The tax rate is seven cents per gallon on diesel fuel, with the exception of local transit systems which pay one cent per gallon.

Revenues from motor vehicle fuel taxes are shown below:

(In thousands)

	Actual	Estimated	Estimated
	1971–72	1972–73	1973–74
Gasoline	\$666,923	\$710,020	\$745,050
Diesel fuel	45,502	49,100	53,100
Total	\$712,425	\$759,120	\$798,150

Motor Vehicle Fees-\$617,507,000

Registration, weight, and vehicle license fees account for the major portion of motor vehicle fee receipts. Drivers' license fees and various other charges related to vehicle operation constitute the balance. New vehicle sales in California are expected to exceed the record 1972 level in both 1973 and 1974. This forecast is largely based on the state's recovery from the 1970 recession and the outlook for continued expansion of the economy. In addition, new vehicle prices have been held in check by price controls. Finally, no prolonged labor disputes are anticipated for the industry in either the current or budget year. New vehicle sales are projected at 1,585,000 in 1973 as compared to 1,520,000 estimated for 1972. In 1974 new vehicle sales are expected to total 1,605,000. Allowing for scrappage and vehicles entering and leaving California, total fee-paid registrations at year end are estimated at 14,863,000 for 1972; 15,505,000 for 1973; and 16,120,000 for 1974. Based on these estimates, registration and weight fees are anticipated to amount to \$279,600,000 in the current year and \$293,300,000 in the budget year.

A license fee in lieu of local personal property tax is imposed for the privilege of operating a vehicle upon the public highways of California. It is computed at 2 percent of the market value of the vehicle, which is a decreasing percentage of the base price, and is assessed on all vehicle subject to registration under the Vehicle Code. Revenue, therefore, is contingent upon the number of vehicles in the state, the age distribution of those vehicles, and their original base price.

Total revenues from motor vehicle fees are shown below:

(In millions)

	Actual 1971–72	Estimated 1972-73	Estimated 1973-74
Vehicle license fees	\$259.6	\$279.1	\$296.8
Registration and weight fees	266.4	279.6	293.3
Drivers' license fees	11.8	13.9	14.9
Other	10.0	11.2	12.5
Total	\$547.8	\$583.8	\$617.5

Transportation Tax—\$750,000

During fiscal year 1972-73 the tax will be imposed on vehicle operators who transport persons or property for hire at a rate of 1.5 percent of the operator's gross receipts. Chapter 563, Statutes of 1972, (AB 705) repeals the motor vehicle transportation license tax effective July 1, 1973.

This tax is an inequitable levy, not uniformly applicable to all groups of transporters. Among those excluded from paying the "truck tax" are school bus operators, those who drive fellow employees to work for compensation, local transit lines, and those who haul their own property. Receipts derived from operations performed within a city or between two or more adjacent cities are also exempt. No substitute levy has yet been developed to recoup the lost revenue, but it is anticipated that alternatives will be suggested and discussed by the newly created State Highway Users Tax Study Commission in their report to the Legislature in February 1974.

Transportation tax revenue is shown below. Revenue in the budget year is due to audit activities.

1971-72	(Actual)	\$28,622,972
	(Estimated)	\$31,000,000
1973-74	(Estimated)	\$750,000

Other Special Fund Revenue—\$168,533,000

For the most part, nontax revenue flowing to special funds represents regulatory fees on business and professions, charges for special services to designated groups and royalties from oil and gas production on state-owned land.

For the budget year, these revenues will total \$168,533,000 compared with \$215,716,000 in the current year. Actual receipts in 1971-72 were \$122,870,000.

SUMMARY OF STATE POPULATION, INCOME OF CALIFORNIA RESIDENTS, AND STATE TAX COLLECTIONS

Excluding Departmental, Interest and Miscellaneous Revenue

		Estimated			State	Tax Collec	tions				T	0400	
	Population July 1st	Personal	Income	-	General Fund	Special Funds	Total	Та	xes per Capi	ita		es per \$100 rsonal Incon	
Year	(Thou- sands)	Income (Millions)	per Capita	Fiscal Year	(Thou- sands)	(Thou- sands)	(Thou- sands)	General Fund	Special Funds	Total	General Fund	Special Funds	Total
CASH BASIS											-		
1950	10,643	\$19,774	\$1,858	1950-51	\$647,992	\$295,542	\$943,534	\$59.52	\$27.15	\$86.67	\$3.28	\$1.49	\$4.77
1951		22,756	2,045	1951-52	709,245	322,699	1,031,944	62.30	28.35	90.65	3.11	1.42	4.53
1952	11.638	25,214	2,167	1952-53	754,048	346,480	1,100,528	63.53	29.19	92.72	2.99	1.37	4.36
1953	12,101	27,002	2,231	1953-54	772,250	442,538	1,214,788	62.74	34.33	98.69	2.86	1.64	4.50
1954	12,517	27,682	2,212	1954-55	831,899	467,814	1,299,713	65.19	36.66	101.85	3.01	1.69	4.70
1955	13,004	30,378	2,336	1955-56	972,828	524,765	1,497,593	73.18	38.48	112.66	3.20	1.73	4.93
1956	13,581	33,177	2,443	1956-57	1,042,773	554,713	1,597,486	75.13	39.97	115.10	3.14	1.67	4.81
1957	14,177	35,497	2,504	1957-58	1,069,809	572,490 1,642,299	73.99	39.59	113.58	3.01	1.61	4.63	
1958		37,321	2,532	1958-59	1,170,890	594,587	1,765,477	77.98	39.60	117.58	3.14	1.59	4.73
1959	15,288	40,955	2,679	1959-60	1,443,296	633,492	2.076,788	92.66	40.67	133.33	3.52	1.55	5.07
1960	15,863	42,913	2,705	1960-61	1,537,347	656,815	2,194,162	95.42	40.77	136.18	3.58	1.53	5.11
1961		45,601	2,786	1961-62	1,645,300	669.267	2,314,567	98.92	40.24	139.16	3.61	1.47	5.08
1962		48,948	2,895	1962-63	1,791,038	711,185	2,502,223	104.03	41.31	145.33	3.66	1.45	5.11
1963		52,522	2,998	1963-64	2,057,962	813,937	2,871,900	115.80	45.80	161.61	3.92	1.55	5.47
1964	18,021	56,471	3,134	1964-65	2,161,157	931,958	3,093,115	118.37	51.04	169.41	3.83	1.65	5.48
1965	18,491	60,104	3,250	1965-66		971,625	3,370,582	128.48	52.04	180.52	3.99	1.62	5.61
1966	18,851	65,002	3,448	1966-67	2,422,275	993,277	3,415,552	127.19	52.16	179.35	3.73	1.53	5.25
ACCRUAL BASIS													
1966	18,851	65,002	3,448	1966-67		1,091,387	3,838,275	144.24	57.31	201.55	4.23	1.68	5.90
1967	19,234	69,807	3,629	1967-68	3,557,610	1,118,311	4,675,921	183.63	57.72	241.35	5.10	1.60	6.70
1968		76,720	3,932	1968-69		1,210,229	5,172,748	201.48	61.54	263.02	5.16	1.58	6.74
1969		83,067	4,191	1969-70	4,125,607	1,283,258	5,408,865	207.09	64.41	271.50	4.97	1.54	6.51
1970		88,863	4,438	1970-71		1,308,150	5,598,413	212.86	64.90	277.77	4.83	1.47	6.30
1971	20,285	94,118	4,640	1971-72	5,212,693	1,385,863	6,598,555	255.47	67.92	323.40	5.54	1.47	7.01
1972	20,524	102,220	4,981	1972-73	5,914,054	1,478,059	7,392,113	286.51	71.60	358.11	5.79	1.45	7.23
1973	20,761	111,535	5,372	1973-741	7,058,733	1,522,515	8,581,248	337.67	72.83	410.51	6.33	1.37	7.69

TABLE 12

COMPARATIVE YIELD OF STATE TAXES, 1950-51 THROUGH 1973-74

(In Thousands)

Year Ending June 30	Sales and Use		Bank and Corporation ¹	Cig- arette	Inheritance and Gift	Insur- ance	Distilled Spirits	Horse Racing	Liquor License Fees	Beer and Wine	Private Car	Motor Vehicle Fuel ²	Motor Vehicle Fees ³	Transpor- tation Tax
CASH BASIS														
1951	\$399,243	\$75,891	\$98,245	_	\$23,671	\$23,447	\$16,094	\$16,368	\$8,106	\$3,796	\$891	\$149,907	\$117,680	\$10,194
1952	417,693	90,914	120,127	_	29,165	25,732	14,430	20,042	7,828	3,730	1,089	163,076	127,809	11,312
1953	460,110	94,551	119,127	-	23,474	29,171	15,615	20,960	8,687	4,069	1,127	170,871	139,406	13,359
1954	465,051	96,169	125,026	_	24,112	34,325	15,546	22,512	8,586	3,989	1,222	234,395	170,519	13,337
1955	492,917	106,738	133,661	_	30,250	38,501	16,108	22,838	9,213	4,172	1,301	244,588	185,505	13,921
1956	564,225	127,816	157,088	_	36,334	39,104	33,970	24,891	9,638	4,373	1,330	273,086	209,817	15,921
1957	600,102	143,290	167,431		38,540	42,529	34,902	26,695	10,616	4,361	1,424	291,364	219,266	16,965
1958	605,238	149,269	173,599	_	45,331	46,037	33,963	25,948	11,297	4,595	1,590	302,671	227,153	15,609
1959	631,514	160,553	174,003	-	44,943	105,832	36,685	28,087	11,962	5,129	1,712	317,709	236,177	11,171
1960	709,648	246,585	240,735	\$64,805	47,189	61,530	40,369	36,288	12,379	10,016	1,613	336,786	256,303	12,543
1961	711,702	269,103	272,718	66,024	76,803	66,745	41,274	37,260	13,044	9,704	1,668	350,801	264,842	12,475
1962	749,523	299,034	290,870	66,054	76,012	71,699	45,418	38,311	13,533	10,495	1,753	363,771	274,906	13,187
1963	813,465	322,012	311,251	70,194	92,432	77,970	48,152	41,663	13,939	10,659	1,808	386,215	298,356	14,106
1964	876,944	392,341	405,431	71,822	102,195	107,200	50,145	43,442	14,274	11,299	1,846	450,195	329,584	15,183
1965	939,649	410,109	416,247	74,477	114,464	95,199	53,915	47,560	14,596	12,422	2,017	542,822	353,607	16,030
1966	1,096,162	454,625	435,597	74,578	123,781	100,854	56,718	47,443	14,878	12,606	2,205	551,108	382,656	17,383
1967	1,053,249	500,086	453,292	75,597	114,413	107,186	59,564	49,311	14,954	13,751	2,477	548,287	405,061	18,323
ACCRUAL E	ASIS													
1967	1,190,750	626,697	453,292	78,191	141,899	131,226	64,733	49,311	14,954	14,964	2,477	643,698	405,061	21,023
1968	1,464,927	952,487	576,874	219,272	135,554	121,155	81,700	54,799	15,736	13,196	2,932	580,487	437,918	18,882
1969		1,101,691	592,303	237,328	3 158,815	130,312	85,494	59,839	18,821	14,118	3,865	625,667	469,655	21,858
1970	1,753,611	1,152,053	587,013	236,878	3 164,299	136,733	89,793	58,244	19,401	16,115	_ 3,739	668,537	498,992	23,458
1971	1,808,052	1,264,383	532,091	239,72	185,699	158,423	90,765	64,601	20,630	15,791	4,148	674,635	513,201	25,456
1972	2,015,993	1,785,618	662,522	247,424	220,192	170,179	94,717	69,380	20,082	17,374	4,552	712,426	547,844	28,623
1973†	2,262,000	1,995,000	815,000	251,500	284,800	189,000	98,000	71,907	21,230		5,759	759,120	589,497	31,000
1974†	3.000,000	2,175,000		255,000	311,300	202,600	101,500	75,256	20,865	18,200	6,260	798,150	621,367	750

[†] Estimated.
Population estimated by the State Department of Finance.
Population estimated by the State Department of Finance.
Personal income, 1950 through 1971, from estimates by the Office of Business Economics, United States Department of Commerce. Data for 1972 and 1973 are estimates by the State Department of Finance.
Taxes per capita computed on the basis of population January 1st, the midpoint of the fiscal year.
Data may not add due to rounding.

Name Data are shown for 1966-67 on both bases in order to facilitate long-term comparisons.

Includes the corporation income tax.
 Motor vehicle fuel tax (gasoline), use fuel tax (diesel and liquified petroleum gas).
 Registration and weight fees, motor vehicle license fees and other fees.
 Repealed as of July 1, 1973.
 Estimated.

Note: Data are shown for 1966-67 on both bases in order to facilitate long-term comparisons.

OUTLINE OF STATE TAX SYSTEM AS OF JANUARY 1, 1973

	Refer	rence				
Major Taxes and Fees	Code	Sections	Base or Measure	Rate	Administering Agency	Fund
Alcoholic Beverage Excises: Beer Distilled spirits	R & T (1) R & T	32151(a) 32201(a)	Gallon	\$0.04 2.00	Equalization (2) Equalization	General General
Wine:	R & T R & T R & T R & T	32151(b) 32151(c) 32151(d) 32151(e)	Gallon Gallon Gallon Gallon	.01 .02 .30 .02	Equalization Equalization Equalization Equalization	General General General General
Bank and Corporation: General corporations	R & T	23151 23501	Net income	7.6% (3)	Franchise (4)	General
Banks and financial corporations.	R & T	23183	Net income	11.6% Max. (5)	Franchise	General
Cigarette	R & T	30101	Package	\$0.10(6)	Equalization	Cigarette Tax Fund (7)
Gift	R & T	15206	Market value	3-24%	Controller	General
Horse Racing License	B & P (8)	19611 19612 19614 19491	Amt. wagered Breakage	5.5-7.45% 0-100%	Horse Racing Board	Fair and Expo. (9), Wildlife Restoration and General
Inheritance	R & T	13404	Market value	3-24%	Controller	General
Insurance	R & T	12202	Gross Premiums	2.35% (10)	Insurance Comm	General
Liquor License Fees	В &•Р	23320	Type of license	Various	Alcoholic Beverage Control Dept.	Alcohol Bev. (11) and General
Motor Vehicle: Vehicle license fees Fuel—gasoline Fuel—diesel Registration fee Weight fees Transportation	R & T R & T R & T Vehicle Vehicle R & T	10751 7351 8651 9250 9400 9651	Market value	2% \$0.07 .07 11.00 Various 1½%	Motor Vehicle Dept Equalization	Vehicle License Fee (12) Fuel (13) Fuel Motor Veh. (14) Motor Vehicle Transp. Tax (15) (16)
Personal Income	R & T	17041	Taxable income	1-11%	Franchise	General
Preference Income: Bank and corporation	R & T	23400	Preference income over \$30,000	2.5%	Franchise	General
Personal	R & T	17062	Preference income over \$30,000	2.5%	Franchise	General
Private (Railroad) Car	R & T	11401	Valuation	(17)	Equalization	General
Retail Sales and Use	R & T	6051 6201	Receipts from sales or lease of taxable items	3.75% (18)	Equalization	General

- (1) Revenue and Taxation Code.
- (2) State Board of Equalization.
 (3) Minimum tax \$200 per year, not applicable to banks. Rate increases to 9% July 1, 1973.
 (4) Franchise Tax Board.
- (5) Maximum increases to 13% July 1, 1973.
- (6) This tax is levied at the rate of 5 mills per cigarette.
 (7) 30 percent of the cigarette tax is remitted to local jurisdictions.
 (8) Business and Professions Code.
- (9) For support of county fairs and similar activities.
- (10) Ocean marine insurance is taxed at the rate of 5 percent of underwriting profit attributable to California business. A special rate also applies to certain types of insurance and annuities.(11) For return to cities and counties.
- (12) For payment of administrative costs and apportionment to counties, cities and school districts.
- (13) For administrative expense and apportionment to state, counties and cities for highways, airports and small craft harbors.

 (14) For support of State Department of Motor Vehicles, California Highway Patrol, state highways and environmental protection.
- (15) For administrative expenses and state highways.
- (16) Transportation tax repealed as of July 1, 1973.
 (17) Average property tax rate in the state during preceding year.
 (18) Rate increases to 4.75% June 1, 1973.

Schedule 3

COMPARATIVE STATEMENT OF EXPENDITURES BY CHARACTER, FUNCTION, ORGANIZATION UNIT AND FUND FOR FISCAL YEARS 1971-72, 1972-73, AND 1973-74

		Actual 1971–72	971-72			Estimated 1972-73	1972-73			Estimated 1973-74	1 1973-74	
Organization Unit	General Fund	Special Funds	Total	Bond Funds	General Fund	Special Funds	Total	Bond Funds	General Fund	Special Funds	Total	Bond Funds
STATE OPERATIONS												
GENERAL GOVERNMENT Legislative: Legislature Legislature Legislative Counsel Bureau Law Revision Commission.	\$30,049,924 1,871,362 168,592	\$608,351	\$29,441,573 1,871,362 168,592 11,742		\$33,355,989 2,212,704 182,302 23,100	\$1,280,917	\$34,636,906 2,212,704 182,302 23,100		\$33,767,262 2,370,091 191,511 23,100	\$1,614,547	\$35,381,809 2,370,091 191,511 23,100	
Contributions to Legislators' Retirement Fund	1,036,229		1,036,229		642,134		642,134		654,171		654,171	
Totals, Legislative	\$33,137,849	\$-608,351	\$32,529,498		\$36,416,229	\$1,280,917	\$37,697,146		\$37,006,135	\$1,614,547	\$38,620,682	
Judicial: Judicial—Supreme Court, Appellate Courts, Judicial Council and Commission on Judicial Qualifications Contributions to Judges' Retirement Fund	\$8,598,250 185,526	\$13,702	\$8,611,952 185,526		\$9,802,620 192,853	\$17,897	\$9,820,517		\$10,123,206 198,870	\$23,972	\$10,147,178 198,870	
Totals, Judicial	\$8,783,776	\$13,702	\$8,797,478		\$9,995,473	\$17,897	\$10,013,370		\$10,322,076	\$23,972	\$10,346,048	
Governor's Office: Governor Scheel: Governor Secretary for Agriculture and Services. Secretary for Business and Transportation. Secretary for Resources. Office of Intergovernmental Management. Council on Intergovernmental Relations. Office of Emergency Services. Office of Planning and Research. Licutenant Governor. Commission of the Californias. Office of Management Services.	\$1,693,722 107,335 7,224 139,861 223,022 39,224 103,337 948,457 77,660 341,437 35,690 28,350	\$1148,139	\$1,693,722 107,335 115,363 1189,861 223,022 39,224 1183,37 148,457 77,660 344,437 35,690 28,350		\$2.051,567 125,273 9,402 406,006 262,378 140,378 50,278 1,068,332 124,311 342,434	\$203,502	\$2,051,567 125,273 212,904 406,096 262,378 140,378 50,278 1,065,382 124,311 312,484		\$2,545,884 370,244 12,405 507,239 38,689 138,718 58,1718 58,015 1,607,396 127,970 401,912 43,848	\$268,823	\$2,545,884 370,244 281,228 507,239 412,239 1188,718 58,015 1,607,306 127,970 401,912	
Tatals, Executive	\$3,748,319	\$148,139	\$3,896,458	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	\$4,621,824	\$203,502	\$4,825,326		\$6,172,320	\$322,373	\$6,494,693	
General Administration: Department of Justice Commission on Peace Officer Standards and Training Council on Criminal Justice Crime Technological Research Foundation Administration and Payment of Tort Liability Claims Indemnification of Private Citizens State Controller Board of Equalization Secretary of State Heritage Preservation Commission State Treasurer. Department of Finance	\$22,670,661 143,086 74,993 202,098 575,000 5,91,031 25,000,913 2,238,355 127 127 14,110,042	\$2,070,023 734,036 20,615 1,076,043 2,482,939	\$24,740,684 734,036 143,086 74,933 222,713 575,050 7,057,074 27,483,852 2,283,852 2,283,852 1,10,042		\$28,352,956 1,737,691 80,395 20,394 900,000 7,381,616 27,656,019 2,712,831 1,075,551 4,868,846	\$3,014,233 1,426,516 3,414 1,166,013 2,639,357	\$31,367,189 1,456,516 1,737,691 80,395 203,914 903,414 8,547,629 30,295,376 2,712,800 1,075,551 4,868,846		\$31,106,449 4,762,513 107,670 1,201,500 1,260,000 7,676,138 28,401,621 2,747,978 800 1,322,432 801,621	\$3,252,181 1,924,630 2,000 1,188,435 2,432,716	\$34,358,630 1,024,630 4,762,513 107,201,500 1,201,500 1,252,000 8,884,573 2,747,578 2,747,578 5,175,016 5,175,016	

Schedule 3-COMPARATIVE STATEMENT OF EXPENDITURES-Continued

		Actual	Actual 1971-72			Estimated 1972-73	1972-73			Estimated 1973-74	1 1973-74	
Organization Unit	General Fund	Special Fuods	Total	Bood Fuods	General Fund	Special Funds	Total	Bood Funds	General Fund	Special Fuods	Total	Bond Funds
STATE OPERATIONS—Continued GENERAL GOVERNMENT—Continued General Administration—Continued Commission on Government Organization and Economy Commission on Interstate Cooperatioo Military Department. Public Utilities Commission.	\$48.200 110,730 4,453,704 6,301,011	\$5,874,098	\$48,200 110,730 4,453,704 12,175,109		\$57,810 110,730 5,173,700 7,231,473	\$6,392,130	\$57,810 110,730 5,173,700 13,623,603		\$110,192 110,730 5,872,583 7,522,847	\$6,493,537	\$110,192 110,730 5,872,583 14,116,384	
Totals, General Administration	\$72,759,232	\$12,257,804	\$85,017,036		\$87,544,352	\$14,641,663	\$102,186,015		\$97,468,469	\$15,293,499	\$112,761,968	
Miscellanenus: Commission on the Status of Womeo Intergovernmental Board on Electronic Data Processing Arts Commission Horee Racing Board California Coastal Zooe Conservation Commission Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun Advisory Coordinatiog Couocil on Public Persoonel Manage-	\$33,749 5,000 167,987	\$366,350	\$33,749 5,000 167,987 366,330		\$63.388 32,600 209,818	\$446,045 500,000 44,253	\$63,388 32,500 209,818 446,045 500,000		\$52,940 54,756 247,181	\$470,638 1,250,000 38,904	52,940 54,756 247,181 470,638 1,250,000 38,904	
mont. Healtb Benefits for Aonutants. Retunds of Taxes, Licenses and other Fees. Computer Installation—Department of Public Works. Development Cost of Consolidated Data Center.	15,467 3,111,093 14,664		15,467 3,111,093 14,664		134,533 4,317,946 30,000 100,000 1,400,000		134,533 4,317,946 30,000 100,000		5,157,933		5,157,933 30,000	
Totals, Miscellaneaus	\$3,347,960	\$399,574	\$3,747,534		\$6,288,185	\$990,298	\$7,278,483		\$5,542,810	\$1,759,542	\$7,302,352	
Debt Service: Bond Interest and Redemption	\$105,749,876		\$105,749,876 9,641,086		\$115,694,119		\$115,694,119		\$122,312,516		\$122,312,516	
Totals, Debt Service	\$115,390,962		\$115,390,962		\$115,694,119		\$115,694,119		\$122,312,516		\$122,312,516	
Unalineated: Augmentations for Salary Jocrease	\$90,976	\$2,905	\$93,881		\$8,296,625		\$8,296,625 118,030		\$165,701,000	\$60,342,000	\$226,043,000	
Legislative Claims. Allocations for Tax Relief Administration.	343,766	24,894	368,660	\$16,653	115,937 379,000	\$11,721	127,658 379,000		77,466	5,479	82,945 105,000	
Totals, Unalincated	\$434,742	\$27,799	\$462,541	\$16,653	\$9,415,698	\$11,721	\$9,427,419		\$167,383,466	\$60,347,479	\$227,730,945	
TOTALS, GENERAL GOVERNMENT	\$237,602,840	\$12,238,667	\$249,841,507	\$16,653	\$269,975,880	\$17,145,998	\$287,121,878		\$446,207,792	\$79,361,412	\$525,569,204	
AGRICULTURE AND SERVICES Department of Food and Agriculture Financial Assistance to District Agricultural Associations Department of Commerce.	\$11,892,512 -130,000 1,285,924	\$8,612,213 3,288,800	\$20,504,725 3,158,800 1,285,924		\$13,620,287 -180,000 1,792,188	\$10,130,799	\$23,751,086 2,816,788 1,792,188		\$14,321,136 -105,000 2,041,111	\$11,140,015 3,241,000	\$25,461,151 3,136,000 2,041,111	

[·] From the State Construction Program Fund.

			-									
		Actual 1971-72	371-72			Estimated 1972-73	1972-73			Estimated 1973-74	1973-74	
Organization Unit	General Fund	Special Funds	Total	Bond Funds	General Fund	Special Funds	Total	Bond Funds	General Fund	Special Funds	Total	Bond Funds
STATE OPERATIONS-Continued												
AGRICULTURE AND SERVICES—Continued Department of Consumer Affairs:	•		90	od for		_						
Division of Consumer Services.	001\$	\$407,542	407,542			\$496,284	\$496,284			\$535,441	\$535,441	
Board of Architectural Examiners.		137,259	137,259			159,297	159,297		000	183,752	183,752	
Athletic Commission	164,561	394 543	164,561		\$207,088	2 430 958	207,088		\$213,486	2.424.139	2.424,139	
Board of Barber Examiners		404,269	404,269			449,117	449,117			448,539	448,539	
Board of Behavioral Science Examiners		127,938	127,938		1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	217,158	217,158			09 961	92.261	
Board of Chiropractic Examiners		119,664	119,664			134,415	134,415			350,891	350,891	
Bureau of Collection and Investigative Services		298,879	298,879			341,295	341,295			00000	000	
Contractors' License Board		2,689,338	2,689,338			3,174,134	3,174,134			3,328,589	938,030	
Board of Dental Examiners		303,393	303,393			444,263	444,263					
Board of Dry Cleaners		292,722	292,722			444,530	444,530			436,435	436,435	
Bureau of Employment Agencies		240,687	240,687			287,283	287,283			286,057	286,057	
Board of Registration for Geologists		42.698	119,032			52,718	52,718			49,060	19,060	
Board of Guide Dogs for the Blind.	2,199		2,199		5,000		2,000		2,000		5,000	
Bureau of Home Furnishings		472,265	472,265			492,249	492,249			502,354	502,354	
Board of Modical Evaminars		39,412	39,412			47,749	47,749			186,06	186,06	
Board of Examiners of Nursing Home Administrators.		128,080	128,080			107,074	107,074					
Board of Nursing Education and Nurse Registration		699,432	699,432			863,549	863,549	,				
Nurses' Registry		10,768	10,768		1	11,283	11,283			11,405	11,405	
Bard of Ostconathic Examiners		13.637	13,637			16,396	16,396					
Board of Pharmacy		703,136	703,136			808,775	808,775					
Board of Registration for Professional Engineers		683,824	683,824			744,021	744,021			768,702	768,702	
Bureau of Repair Services		282,253	282,253			323,461	323,461			330,445	535,445	* * * * * * * * * * * * * * * * * * * *
Structural Pest Control Board		506,125	506,125			572,281	572,281			566,755	566,755	
Board of Examiners in Veterinary Medicine		85,854	85,854			108,062	108,062					
Don't of vocational funce and reschingful feature increase.		490,622	490,622			654,693	654,693					
Totals, Department of Consumer Affairs	\$166,860	\$11,980,963	\$12,147,823		\$212,088	\$16,820,352	\$17,032,440		\$218,486	\$11,533,020	\$11,751,506	
Board of Control	\$118,699		\$118,699	1	\$157,109		\$157,109		\$172,318		\$172,318	
Stats Exposition and Fair Executive Committee.	1,317,386	\$253,332	1,570,718		1,725,759	\$475,854	2,201,613		1,380,000	\$265,000	1,645,000	
State life Marshal Franchise Tax Board	26.017.247	000,68	26.017.247		34.303.594	000,67	34,303,594		35,396,670		35,396,670	
Department of General Services.	4,895,261	1,229,347	6,124,608		5,875,614	1,496,328	7,371,942		3,563,540	1,514,815	5,078,355	
Department of Industrial Relations	21,587,310		21,587,310		24,462,737		24,462,737		25,863,619		25,863,619	
Workmen's Compensation Benents for Subsequent Injuries	1,945,000		6.255170		14.122.660		14.122.660		13,290,446		13,290,446	
Public Employees' Retirement System.	18,000		18,000		18,000		18,000		18,000		18,000	
State Teachers' Retirement System	1,287,599		1,287,599									

,		Actual 1971-72	971-72			Estimated 1972-73	1972-73			Estimated 1973-74	11973-74	
Organization Unit	General Fund	Special Funds	Total	Bond Funds	General Fund	Special Funds	Total	Bond Funds	General Fund	Special Funds	Total	Bond Funds
STATE OPERATIONS—Continued AGRICULTURE AND SERVICES—Continued Department of Veterans Affairs: General Activities Veterans' Home of California	\$2,683,200 3,514,466		\$2,084,206 3,514,460		\$2,859,083 4,376,706		\$2,859,083 4,376,766		\$2,967,841 4,509,536		\$2,967,841 4,569,536	
TOTALS, AGRICULTURE AND SERVICES	\$83,717,738	\$25,459,655	\$100,177,303		\$106,655,172	\$31,995,121	\$138,050,293		\$107,341,755	\$27,693,850	\$135,035,605	
BUSINESS AND TRANSPORTATION Business: Department of Alcolodic Beverage Control Alcobolic Beverage Control Appeals Board Banking Department Department of Corporations. Department of Housing and Community Development. Department of Housing and Community Dispartment of Housing and Community Development. Better Insurance. Crime Insurance. Riot and Civil Disorders Insurance	\$5,027,085 131,266 3,053,615 1,067,005 4,292,288	1,388,326	\$5,927,085 131,266 1,388,320 3,653,615 11,067,005 4,292,288		\$0,856,571 145,884 3,410,706 1,391,346 3,280,151 8,300 993,144	\$1,707,591	\$6,856,571 145,884 1,707,551 3,419,706 1,391,346 3,286,151 8,300 993,141		\$7,089,396 148,518 3,603,641 1,680,137 3,845,000 500,000 1,000,000,1	\$1,935,941	\$7,089,396 148,518 1,935,944 3,693,641 1,689,364 3,845,000 500,000 1,000,000	
Department of Real Estate. Department of Savings and Loan.	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	3,768,874 2,701,043	3,768,874 2,701,043			3,036,670	4,606,149 3,036,679			4,559,086 3,173,030	4,559,086 3,173,036	
Totals, Business	\$16,221,250	\$7,858,243	\$24,079,502		\$16,101,102	\$9,350,370	\$25,451,481		\$17,956,692	\$9,668,066	\$27,624,758	
Transportation: Department of Transportation. Office of Transportation Planning and Research. Ulighway Users Tax Study Commission. Department of Aeronauties. Department of the California Highway Patrol. Vehicle Equipment Safety Commission. Department of Motor Vehicles. Department of Public Works.	\$6,168	\$173,088 175 659,113 126,519,705 9,857 63,808,353	\$179,256 175 659,113 126,519,705 9,857 63,868,333 131,110,078		\$ 8,254	\$306,784 44,600 570,654 141,328,887 11,641 74,808,276 153,742,500	\$315,038 44,500 576,654 141,328,887 11,641 74,808,276 153,742,500		\$5,000,000 \$116,089	\$378,652 30,325 584,364 141,210,750 77,780,386 150,238,530	\$5,000,000 494,741 30,325 584,364 144,210,756 17,780,386 159,238,530	
Totals, Transportation	\$6,168	\$322,340,369	\$322,346,537		\$8,254	\$370,819,242	\$370,827,496		\$5,116,089	\$382,236,263	\$387,352,352	
TOTALS, BUSINESS AND TRANSPORTATION RESOURCES Special Resources Services and Studies Environmental Protection Program	\$16,227,427 \$148,005	\$330,198,612 \$164.820	\$346,426,039 \$148,005 164,820		\$16,109,356 \$174,735	\$380,169,621 \$50,000 1,164,920	\$396,278,977 \$224,735		\$23,072,781 \$436,755	\$391,904,329 \$2,130,820	\$414,977,110 \$436,755 \$436,755	
Environmental Quality Study Council Solid Waste Management Board		70,242	70,242		100,000		100,000		315,000		315,000	
Air Recources Board California Advisory Committee California Nevada Interstate Compact Commission Colorado Bivor Record	32,548 1,837 20,123 155,375	7,504,629	7,537,177 1,837 20,123		2,486,594 8,000 27,500	5,134,370	7,620,964 8,000 27,500		2,348,119 8,320 27,500	4,824,358	7,172,477 8,320 27,500	
Department of Conservation. State Lands Division. Department of Fish and Game.	43,630,632	1,442,257	1,546,581 1,546,581		50,430,474 1,865,144	1,843,095	52,273,569 1,865,144 19,663,358		40,273,251 1,857,600	2,035,262	51,308,513 1,857,600 22,545,279	
Wildlife Conservation Board		121,860	121,860		1	128,813	128,813			148,510	148,510	

		Actual 1971-72	971-72			Estimated 1972-73	1972-73			Estimated 1973-74	1 1973-74	
Organizatinu Unit	General Fund	Special Funds	Total	Bond Funds	General Fund	Special Funds	Total	Bond Funds	General Fund	Special Funds	'Fotal	Bond Funds
STATE OPERATIONS-Continued												
RESOURCES—Continued Klamath River Compact Commission Department of Navigation and Ocean Development. Department of Parks and Recreation.	9,725 253,167 20,047,514		9,725 253,167 20,047,514		4,725 135,298 23,594,798	79,118	4,725 135,298 23,673,916	1,\$120,700	138,240	95,052	138,240 26,320,298	b\$138,000
Reclamation Board	232,050 228,123		232,050 228,123		253,375 282,650		253,375 282,650		264,138 312,683 13,982,930		264,138 312,683 13,982,930	
Department of water Accounces. Water Resources Control Board.	4,050,057		4,050,057	\$3,298,468	4,584,006		4,584,006	.5,450,000	5,189,006		5,189,006	د3,117,000
TOTALS, RESOURCES.	\$81,919,133	\$27,166,387	\$109,085,520	\$3,298,468	\$96,104,377	\$28,063,674	\$124,168,051	\$5,570,700	\$100,478,210	\$31,779,281	\$132,257,491	\$3,255,000
HEALTH AND WELFARE Office of Educational Liaison Jab Development Corporation Law Excentive Board	\$483,735		\$483,735		\$100,000		\$100,000		\$1,238,000 874,660		\$1,238,000 874,660	
Office of Special Services Management Planning					50,000		50,000		205,319		205,319	
Developmental Disabilities frogram.					275,495		275,495		724,505		724,505	
Department of Heatth: General Activities Nouropsychiatric Institutes.							1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		18,295,497	\$134,696	18,430,193 16,033,003	
Hospitals for Mentally III									23,024,098	173,575	23,024,098	
Board of Chiropractic Examiners										135,014	135,014 406,963	
Board of Exemines Sammers Board of Exemines Of Nursing Home Administrators Baard of Nursing Education and Nurse Registration										99,252	99,252	
Board of Optometry Board of Osteopathic Examiners										94,796	94,796	
Board of Fharmacy Board of Examiners in Veterinary Medicine										107,219	107,219	
Totals, Department of Health									\$57,352,598	\$5,626,372	\$62,978,970	
Department of Mental Hygiene: Departmental Administration. Research and Training. Neuropsychiatric Institutes. Hospitals for Mentally III. Hospitals for Mentally Retarded.	\$6,352,143 4,388,519 13,287,399 17,505,068 83,340,286		\$6,352,143 4,388,519 13,287,399 17,505,068 83,340,286		\$7,605,190 1,755,556 15,569,604 20,698,831		\$7,605,190 1,755,556 15,569,604 20,698,831					
Totals, Department of Mental Hygiene	\$124,873,415		\$124,873,415		\$45,629,181		\$45,629,181					

b From the Recreation and Fish and Wildlife Enhancement Fund. \bullet From the State Clean Water Fund.

		Actual 1	1071-72			Estimated 1972-73	1 1972-73			Estimated 1973-74	1 1973-74	
Organization Unit	General Fund	Special Funds	Total	Bond Funds	General Fund	Special Funds	Total	Bood Funds	General Fund	Special Funds	Total	Bood Funds
STATE OPERATIONS—Continued Department of Public Health. Department of Iluman Resources Development. Department of Relabilitation. Department of Social Welfare. Department of Social Welfare. Department of Corrections. Department of Corrections. Department of Corrections.	\$10,574,081 9,204,015 6,705,186 8,524,106 110,571,750 50,418,534	\$71,013 580,660	\$10,646,894 9,700,675 6,705,186 8,524,196 110,571,750 50,418,534		\$13,262,470 10,073,527 7,220,911 10,622,827 125,757,803 56,000,021	\$76,820 1,214,752	\$13,330,209 12,188,270 7,220,041 10,622,827 125,75,803 56,600,021 794,330		\$12,109,213 6,999,531 11,685,454 128,708,931 54,499,466 25,000	181,181,381	\$13,290,564 6,909,531 11,635,454 128,708,941 54,499,466 911,000	
TOTALS, HEALTH AND WELFARE	\$321,445,812	\$675,242	\$322,121,054		\$367,571,211	\$2,075,902	\$369,647,113		\$274,372,677	\$7,693,723	\$282,066,400	
EDUCATION Education: Department of Education: Educational Commission of the States General Activities National Defense Education Special Schools for the Handicapped	\$23,653 5,057,217 100,704 8,275,829		\$23,653 5,057,217 166,764 8,275,829		\$24,000 7,784,230 178,103 9,775,328		\$24,000 7,784,230 178,103 9,775,328		\$24,000 8,308,039 184,450 10,109,153		\$24,000 %,308,039 184,450 10,109,153	
Totals, Department of Education	\$13,523,463		\$13,523,463		\$17,761,661		\$17,761,661		\$18,625,642		\$18,625,642	
Division of Libraries Commission for Teacher Preparation and Licensing.	\$1,829,758	\$1,880,700	\$1,820,758 1,880,700		\$2,016,029	\$1,731,151	\$2,016,929 1,731,151		\$2,056,760	\$1,680,000	\$2,056,760 1,680,000	
Totals, Education	\$15,353,221	\$1,880,700	\$17,233,921	- 1	\$19,778,590	\$1,731,151	\$21,509,741		\$20,682,402	\$1,680,000	\$22,362,402	
Higher Education: Coordinating Council for Higher Educatioo Western Interstate Commission for Higher Education. University of California. Augmentation for Salary Increases Hastings College of Law. Trustees of the California State University and Colleges. Augmentation for Salary Increases	\$422,860 15,000 335,578,066 1,201,040 316,250,107	\$694,940	\$422,860 15,000 336,273,006 1,201,040 316,250,107		\$196,075 15,000 384,781,688 1,713,327 378,377,700	\$559,459	\$496,975 15,000 385,341,147 1,713,327 378,377,700		\$608,000 28,000 398,900,000 (30,690,000) 1,970,380 407,883,744	\$272,000	\$608,000 28,000 399,172,000 (30,690,000) 1,070,380 407,883,744	
California Martinne Academy Board of Governors of the California Community Collegus. State Scholarship and Loan Commission.	792,643 912,272 19,433,011	98,000	792,643 1,010,272 19,433,011		933,500 1,062,139 30,965,545		933,500 1,062,139 30,965,545		1,137,000 1,087,839 38,570,680		1,137,000 1,087,839 38,570,680	
Totals, Higher Education	\$674,604,999	\$792,940	\$675,397,939		\$798,345,874	\$559,459	\$798,905,333		\$850,185,643	\$272,000	\$850,457,643	
TOTALS, EDUCATION	\$689,958,220	\$2,673,640	\$692,631,860		\$818,124,464	\$2,290,610	\$820,415,074		\$870,868,045	\$1,952,000	\$872,820,045	
Credits to General Fund for Overhead Services Charged to Agencies Supported from Special Funds	-\$11,889,740		-\$11,889,740		-\$16,000,000 5,000,000		-\$16,000,000 -5,000,000		-\$16,000,000 -10,000,000		-\$16,000,000 -10,000,000	
TOTALS, STATE OPERATIONS	\$1,418,981,430	\$398,412,203	\$1,817,393,633	2\$3,315,121	\$1,053,540,460	\$461,740,926	1\$2,115,281,386	2\$5,570,700	\$1,796,341,260	\$540,384,595	1\$2,336,725,855	2\$3,255,000

³ Nongovernmental cost fund expenditures are not included in this total, ³ Bond fund expenditures are not included in overall budget totals.

		Aetual 1971-72	971-72			Estimated 1972-73	1972–73			Estimated 1973-74	1973-74	
Organization Unit	General Fund	Special Funds	Total	Bond Funds	General Fund	Special Funds	Total	Bond Funds	General Fund	Special Funds	Total	Bond Funds
CAPITAL OUTLAY GENERAL GOVERNMENT General Administration Military Department.	\$165,000		\$165,000						\$86,020		\$86,020	
Unallocated: Project Planning Bag ley Conservation Fund Augmentation. Increased Cost of Construction, 1966 and Subsequent Bond Issues	35,000	-\$40,000,000	35,000		80,000		000'08	u\$250,000	75,000		75,000	.48250,000
Totals, Unallocated	\$40,035,000	-840,000,000	\$35,000		\$80,000		\$80,000	\$250,000	\$75,000		\$75,000	\$250,000
TOTALS, GENERAL GOVERNMENT	\$40,200,000	-\$40,000,000	\$200,000		\$80,000		\$80,000	\$250,000	\$161,020		\$161,020	\$250,000
AGRICULTURE AND SERVICES Department of Food and Agriculture. Financial Assistance to District Agricultural Associations Department of General Services Department of Veterans Affairs	83,345	\$1,459,346	\$1,459,346 83,345		3,096,655	\$1,148,959 150,000	\$4,148,959 3,246,655 170,390		\$250,000 915,920 2,725,237	4,610,850	\$250,000 4,610,850 1,865,920 2,725,237	
TOTALS, AGRICULTURE AND SERVICES	\$83,345	\$1,459,346	\$1,542,691		\$3,267,045	\$4,298,959	\$7,566,004		\$3,891,157	\$5,560,850	\$9,452,007	
BUSINESS AND TRANSPORTATION Department of the California Highway Patrol. Department of Motor Velieles. Department of Public Works:	-	\$1,415,535 1,748,753 328,962,150	\$1,415,535 1,748,753 328,962,450			\$11,254,062 7,449,537 364,479,755	\$11,254,062 7,449,537 364,479,755			\$3,348,040 7,279,500 342,113,385	\$3,348,040 7,279,500 342,113,385	
TOTALS, BUSINESS AND TRANSPORTATION		\$332,126,738	\$332,126,738			\$383,183,354	\$383,183,354			\$352,740,925	\$352,740,925	
RESOURCES Air Resources Board Department of Conservation State Lands Division Department of Fish and Game	\$268,780	- \$96,456	-\$96,456 268,780 656,649	d5,300	\$130,858 50,000	\$34,000 265,333	\$34,000 130,858 50,000 265,333		\$1,135,836	2,173,600	\$1, 435,836 2,173,600	
Wildlife Conservation Board Wildlife Conservation Board Wildlife Conservation Board Department of Navigation and Ocean Development		1,054	1,054	h338,969		548,946	548,946	b1,797,019		750,000	750,000	b2,625,010
Department of Parks and Recreation: State Park and Recreation Commission State Park and Recreation Commission	475,782		475,782	44,978,928 b4,591,934	2,967,184	9,791,658	12,758,842	J18,015,146	150,000	10,150,000	16,300,000	44,624,600 19,797,658
Department of Water Resources. Department of Water Resources. Department of Water Resources.	855,958	-196,850	659,108	179,899,445	1,701,833	25,000,000	26,701,833	°137,565,154 °16,324,023	2,931,000	25,000,000	27,931,000	107,100,325
TOTALS, RESOURCES	\$1,600,520	\$832,069	\$2,432,589	\$247,126,428	81,849,875	\$36,389,037	\$41,239,812	\$193,086,455	\$4.516,836	\$38,073,600	\$42,590,436	\$138,637,396

a From the State Construction Program Fund.
b From the Recreation and Fish and Wildlife Enhancement Fund.
d From the Sate Beach. Park, Recreational and Historical Facilities Fund.
e From the California Water Resources Development Bond Fund.
f From the Central Valley Water Project Construction Fund.

		Actual	Actual 1971-72	1		Estimated 1972-73	1 1972-73			Estimated 1973-74	1973-74	
Organization Unit	General Fund	Special Funds	Total	Boud Funds	General Fund	Special Funds	Fotal	Bond Funds	General Fund	Special Funds	Total	Bond Funds
CAPITAL OUTLAY—Continued												
HEALTH AND WELFARE Department of Health	- \$8,326	0 1 1 1 1	. \$8,326	*-\$18,663	\$1,492,200	\$1,000,000	\$2,492,200	\$3,340	\$3,102,700	- 4131 660	\$3,102,700	
Department of fuman Resources Development. Department of Corrections. Department of the Youth Authority.	100,000	*194,09A	000,001	*50,100	495,000 150,000	170'001	495,000 150,000	a250,400	2,004,160	000,101\$	2,004,160	
TOTALS, HEALTH AND WELFARE	\$91,674	-\$154,658	-\$62,98-1	\$31,737	\$2,137,200	\$861,479	\$2,998,679	\$253,740	\$5,176,860	-\$134,660	\$5,042,200	
EDUCATION Education: Department of Education: Special Schools for the Handicapped Children: School for the Deaf, Berkeley.	\$43,400		\$43,000				-					
Schools for the Blind and for the Deaf								*\$85,000		220,000,000	220,000,000	
Tntals, Education	\$13,000		\$13,000					\$85,000		\$20,000,000	\$20,000,000	
Higher Education: Augmentation for Digher Education Capital Outlay University of California University of California	\$91,771,000	- \$ 91,774,000 -495,000	3-\$495,000	000'09\$	\$7,900,000	\$9,726,000	4.17,626,000	K\$18.002.000		\$17,253,000	\$17,253,000	K\$54,651,000
State University and Colleges: Trustees of the California State University and Colleges	232,700	19,317,797	419,550,497	▲789,541	22,048	42,139,401	42,161,449	*2,269,171		48,096,000	648,096,000	
TOTALS, STATE UNIVERSITY AND COLLEGES	\$92,006,700	-\$72,951,203	\$19,055,497	\$729,541	\$7,922,048	\$51,865,401	\$59,787,449	\$20,271,171		\$65,349,000	\$65,349,000	\$54,651,000
California Maritime Academy. Braard of Governors of the Community Colleges? Braard of Governors of the Community Colleges (Reserve Acet.).	-\$8,464			*\$36,822,098 * h(\$4,236,950)	\$12,551		\$12,551	*\$45,426,114 * b (957,642)				\$35,990,100
Tolals, Higher Education	\$91,998,236	-\$72,951,203	\$19,047,033	\$37,551,639	\$7,934,599	\$51,865,401	\$59,800,000	\$65,697,285		\$65,349,000	\$65,349,000	\$90,641,100
TOTALS, EDUCATION	\$92,011,236	-\$72,951,203	\$19,090,033	\$37,551,639	\$7,934,599	\$51,865,401	\$59,800,000	\$65,782,285		\$85,349,000	\$85,349,000	\$90,641,100
TOTALS, CAPITAL OUTLAY	\$134,016,775	\$221,312,292	1\$355,329,067	2\$284,709,804	\$18,268,719	\$476,599,130	1\$194,867,849	2\$259,372,480	\$13,745,873	\$481,589,715	1\$495,335,588	2\$229,528,496
TOTAL EXPENDITURES, STATE OPERATIONS AND CAP- ITAL OUTLAY	\$1,552,998,205	\$619,724,495	\$2,172,722,700	\$288,024,925	\$288,024,925 \$1,671,809,179	\$938,340,056	\$ 938,340,056 \$ 2,610,149,235	\$264,943,180	\$1,810,087,133	\$264.943,180 \$1,810,087,133 \$1,021,974,310 \$2,832,061,443	\$2,832,061,443	\$232,783,496

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From the State Construction Program Fund.
 From the Reth. Science Facilities Construction Fund.
 Noncovernmental cost fund expenditures are not included in this total.
 Noncovernmental cost fund expenditures are not included total.
 State Managemental cost fund expenditures are not included total.
 State Managemental cost funds, and \$23,490,000 from constant funds, \$4,256,600 from University overhead funds, and \$25,613,000 from educational fees.
 University of California expenditures for eapital outlay also includes \$20,868,500 from monstate funds, \$7,254,000 from University overhead funds, and \$14,655,000 from educational fees.
 University of California expenditures for eapital outlay also includes monstate funds of \$15,396,202 for the 1971-72 fiscal year, \$16,522,756 for the 1972-73 fiscal year, and \$18,309,600 for the 1973-74 fiscal year.
 The Community Colleges expenditures for eapital outlay also includes district funds of \$31,779,664 for the 1971-72 fiscal year, \$36,609,202 for the 1972-73 fiscal year and \$34,359,584 for the 1973-74 fiscal year.

Schedule 6

COMPARATIVE STATEMENT OF EXPENDITURES OF FEDERAL AID GRANTED TO THE STATE OF CALIFORNIA FOR THE FISCAL YEARS 1971–72, 1972–73, AND 1973–74

		Actual 1971-72		a	Estimated 1972-73		الما	Estimated 1973-74	
Department	Grants	Reinburse- ments nnd special projects	Total	Grants	Reimburse- ments and special projects	Total	Grants	Reimburse- ments and special projects	Total
STATE OPERATIONS									
GENERAL GOVERNMENT Executive:					2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2			1000	0000
Office of Emergency Services—Disaster Relief and Matching Funds to Local Government	\$695,400	81,073,101	\$1,705,507	\$188,210	077,1115,(77	040,010,15	110,678,16	5640,239	(25.132.074)
Office of Interpretational Management	292,249 70,509	(cortaging)	292,249	816,250	(control	816,250	686,250		686,250
Council on Intergovernmental Relations	162,740		162,740	20,000		20,000	20,000		20,000
Totals, Executive	\$1,220,904	\$1,073,101 (56,706,130)	\$2,294,005 (56,706,130)	\$1,736,520	\$1,113,776 (74,356,935)	\$2,850,296 (74,356,935).	\$2,835,867	\$845,299 (25,132,074)	\$3,681,166 (25,132,074)
General Administration: Department of Justice—Support	\$2,346,390		\$2,346,390	\$6,680,078		\$6,680,078	\$579,267	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	\$579,267
Peace Officers Standards and Training. California Council on Criminal Justice	648,228		648,228	453,439		453,439	250,000		250,000
California Council on Criminal Justice	1 150 913	(\$33,291,112)	(33,291,112)	1.607.918	(\$36,275,250)	(36,275,250)	2.699.753	(\$36,275,250)	(36,275,250)
Military Department: Maintenance and Operation of Facilities	2,242,323		2,242,323	3,466,287		3,466,287	4,446,538	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	4,446,538
Army and Air National Guard		(61,433,897)	(61,433,897)		(70,965,178)	(70,965,178)		(74,274,121)	(74,274,121)
Totals, Military Department	\$2,242,323	(61,433,897)	\$2,242,323 (61,433,897)	\$3,466,287	(70,965,178)	\$3,466,287 (70,965,178)	\$4,446,538	(74,274,121)	\$4,446,538 (74,274,121)
Publie Utilities Commission-Support	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	\$17,359	\$17,359	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	\$102,500	\$102,500		\$111,000	\$111,000
Totals, General Administration	\$19,087,124	\$17,359	\$19,104,483	\$26,343,372	\$102,500	\$26,445,872	\$22,482,403	\$111,000	\$22,593,403 (110,549,371)
Miscellaneous:									
American Revolution Bicentennial Commission. Arts Commission	\$104,270		\$104,270	\$38,140 125,000		\$38,140	\$51,860 175,000		\$51,860 175,000
Advisory Coordinating Council on Public Personnel Manage- ment.	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	1,007,000	1,000,700,1		1,200,000	1,200,000		1,440,000	1,440,000
TOTALS, GENERAL GOVERNMENT	\$20,412,298	\$2,097,460	\$22,509,758	\$28,243,032	\$2,416,276	\$30,659,308	\$25,545,130	\$2,396,299	\$27,941,429

^{*} The major portion of this amount due to previous method of reporting for information purposes was innervenently shown as an expenditure of Federal Funds rather than as reimburscenents in the individual State. Departments that received project funds from CCCJ.

Schedule 6-COMPARATIVE STATEMENT OF EXPENDITURES OF FEDERAL AID-Continued

		Actual 1971-72		-	Estimated 1972-73		Ξ	Estimated 1973-74	
Department	Grants	Reinburse- ments and special projects	Total	Grants	Reimburse- ments and special projects	Total	Grants	Reimburse- ments and special projects	Total
STATE OPERATIONS—Continued									
AGRICULTURE AND SERVICES Department of Food and Agriculture—Support	1 1 1 1 1 1 1 1 1 1 2 2	\$2,422,078	\$2,422,078		\$2,704,190	\$2,704,190		\$3,051,177	\$3,051,177
Department of Industrial Relations—Support Personnel Department of California	\$847,292	716,836	847,292 716,836	\$988,132	233,155	988,132 233,155	8837,760	143,377	837,760 143,377
Care and Maintenance of Veterans	2,720,726		2,720,726	2,423,835	200,000	2,623,835	2,484,735	200,000	2,684,735
TOTALS, AGRICULTURE AND SERVICES	\$3,568,018	\$3,151,458	\$6,719,476	83,411,367	\$3,137,345	\$6,549,312	83,322,495	88,394,354	\$6,717,049
BUSINESS AND TRANSPORTATION Business: Department of Housing and Community Development— Support.		\$199,070	\$199,070		\$222,794	\$222,704		\$208,732	\$209,732
Transportation: Office of Traffic Safety. Office of Transportation Planning and Research.	\$490,420		490,420	\$623,962	250,000	623,962	8669,646	- 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1	669,646
Department of Aeronauties—Support. Department of the California Highway Patrol—Support. Department of Motor Vehicles—Support.	454,708	360,418	454,708 360,418 90,575		12,000	12,000		1,263,225	1,263,225
Totals, Transportation	\$945,128	\$450,993	\$1,396,121	\$623,962	\$319,252	\$943,214	\$669,646	\$1,263,225	\$1,932,871
TOTALS, BUSINESS AND TRANSPORTATION	\$945,128	\$650,063	\$1,595,191	\$623,962	\$542,046	81,166,008	\$669,646	\$1,472,957	82,142,603
Air Resources Board—Support Department of Conservation—Support Department of Fish and Game—Support Department of Fish and Game—Support Department of Parks and Recreation—Support Department of Parks and Recreation—Support Water Resources Control Board—Support	\$2,757,347 1,138,390	\$879,118 1,167,526 877,628 102,000 395,177 282,742	\$879,118 1,107,526 3,634,975 102,000 395,177 282,742 1,138,390	83,405,125 143,000 1,337,390	\$880,000 1,372,812 1,105,839 345,052 215,000	\$880,000 1,372,812 4,510,964 143,000 345,652 215,000 1,337,390	\$3,311,675 202,000 1,413,000	\$880,000 1,234,700 1,116,748 268,302 195,000	\$880,000 1,234,700 1,428,423 202,000 268,302 195,000 1,413,000
TOTALS, RESOURCES	\$3,895,737	\$3,704,191	87,599,928	\$4,885,515	\$3,918,703	\$8,804,218	\$4,926,675	\$3,694,750	88,621,425
HEALTH AND WELFARE Department of Health: Special Project Activities General Activities Neuropsychiatrie Institutes	, , , , ,						\$7,892,694 377,000	13,878,418	13,878,418 \$25,873,755 377,000
Totals, Department of Health.							\$8,269,694	\$31,859,479	\$40,129,173

		Aetual 1971-72		E .	Estimated 1972–73		ਜ	Estimated 1973-74	77
Department	Grants	Reimburse- ments and special projects	Total	Grants	Reimburse- ments and special projects	Total	(frants	Reimburse- rnents and special projects	Total
STATE OPERATIONS—Continued									
HEALTH AND WELFARE—Continued Department of Mental Hygiene: Davidoument of Dischilities Program		-		\$100.000	\$128.303	\$228.303			
Department of Mental Hygiene—Support	\$446,136	\$4,854,522	\$5,300,658	417,000	10,836,520	11,253,520			
Totals, Department of Mental Hygiene	\$446,136	\$4,854,522	\$5,300,658	\$517,000	\$10,964,823	\$11,481,823			1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Department of Public Health—Support	\$4,397,128	\$3,013,778	87,410,906	\$4,965,651	\$3,644,985	\$8,610,636	1	1	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Department of Human Resources Development: Unemployment Security Financing Act.	\$42,344		\$42,344	\$9,952	1	\$9,952	\$17,191		\$17,191
Senent Payments and Other Expenditures	710,869,160 101,320,537 69,797,966	\$2,617,784	103,938.321 69,797,966	101,976,728 93,923,571	\$2,811,351	104,788,079 93,923,571	96,055,591 118,911,895	\$2,673,529	98,729,120 118,911,895
- Totals, Department of Human Resources Development	\$882,030,007	\$2,617,784	\$884,647,791	\$843,810,251	\$2,811,351	\$846,621,602	\$863,984,677	\$2,673,529	\$866,658,206
Department of Rehabilitation: Department of Rehabilitation—Support	\$47,072,880		\$47,072,880	\$57,284,724		\$57,284,724	\$60,801,515		\$60,801,515
Department of Social Welfare: State Administration and Public Assistance—Support	\$16,462,159		\$16,462,159	\$9,006,206		\$9,006,206	87,487,487		87,487,487
Department of Corrections—Support		\$1,550,174	1,550,174		\$43,063	43,063		\$41,063	41,063
Department of the Youth Authority: Department of the Youth Authority—Support	\$2,590,862		\$2,590,862	\$652,605	\$132,240	\$132,240	\$528,678	\$1,632,000	\$1,632,000 528,678
Totals, Department of the Youth Authority	\$2,590,862		\$2,590,862	\$652,605	\$132,240	\$784,845	\$528,678	\$1,632,000	\$2,160,678
TOTALS, HEALTH AND WELFARE	\$952,999,172	\$12,036,258	\$965,035,430	\$916,236,437	\$17,596,462	\$933,832,899	\$941,072,051	\$36,206,071	8977,278,122
EDUCATION Department of Education—Support. Higher Education: Coordinating Council for Higher Education—Support	\$17,062,941	\$446,201	\$17,509,142	\$23,902,419	\$533,600	\$24,436,019	\$24,879,948	\$578,763	\$25,458,711
Coordinating Council for Higher Educationnot elsewhere reported.		(6,456,038)	(6,456,038)		(475,000)	(475,000)		(850,000)	(850,000)
University of California—Support	469,796,853		469,796,853	481,936,403		481,936,403	488,067,877		488,067,877
Work Study ProgramTrustees of the California State University and Colleges:	71,715	7,773	79,488	56,830	190,000	246,830		381,830	381,830
State College System—SupportSpecial Projects		28,899,716 18,540,121	28,899,716 18,540,121		35,571,945 18,300,000	35,571,945 18,300,000		30,476,850 18,300,000	30,476,850 18,300,000
Totals, Trustees of the California State University and Colleges		\$47,439,837	\$47,439,837		\$53,871,945	\$53,871,945		\$48,776,850	\$48,776,850

		Actual 1971-72		E	Estimated 1972-73		ä	Estimated 1973-74	77
Department	Grants	Reimbursc- ments and special projects	Total	Grants	Reimburse- ments and special projects	Total	Grants	Reimburse- ments and special projects	Total
STATE OPERATIONS—Continued						:			
EDUCATION—Continued Higher Education—Continued Maritime Academy—Support	\$221,771	129,629	\$221,771	\$200,400	857,127	\$200,400 857,127	\$200,400	\$18,000 786,786	\$218,400 786,786
Totals, Higher Education	\$470,584,702	\$48,107,181 (6,456,038)	\$518,691,883 (6,456,038)	\$482,541,805	\$54,919,072	\$537,460,877 (475,000)	\$188,429,566	\$49,963,466 (850,000)	\$538,393,032 (850,000)
TOTALS, EDUCATION	\$487,647,643	\$48,553,382 (6,456,038)	\$536,201,025 (6,456,038)	\$506,444,224	\$55,452,672 (475,000)	\$561,896,896 (475,000)	\$513,309,514	\$50,542,229 (850,000)	\$563,851,743 (850,000)
TOTALS, STATE OPERATIONS	\$1,469,467,996	\$70,192,812 (157,887,177)	\$1,539,660,808 (157,887,177)	\$1,459,845,137	\$83,063,504 (182,072,363)	\$1,542,908,641 (182,072,363)	\$1,488,845,511	\$97,706,860 (136,531,445)	\$1,586,552,371 (136,531,445)
GENERAL GOVERNMENT Military Affairs: Facilities for maintenance and care of federal equipment	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	(\$1,804,858)	(\$1,804,858)		(\$1,151,000)	(\$1,151,000)	1	(8970,000)	(000'0268)
BUSINESS AND TRANSPORTATION Department of Public Works: Division of Highways.	\$409,611,765	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	409,611,765	\$390,753,085		\$390,753,085	\$342,161,000		\$342,161,000
RESOURCES Department of Parks and Recreation	4,492,750	•	4,492,750	11,426,330		11,426,330	2,733,243		2,733,243
Federal share of operation and maintenance	1,546,607		1,546,607	1,543,967		1,543,967	1,761,000		1,761,000
TOTALS, RESOURCES	\$6,179,405		86,179,405	\$12,970,297		\$12,970,297	\$4,494,243		84,494,243
EDUCATION University of California. Trustees of the California State University and Colleges	\$1,077,903 9,877,324 1,700,000		\$1,077,903 9,877,324 1,700,000	\$3,300,000 9,731,260		\$3,300,000 9,731,260	\$3,103,000		\$3,103,000
TOTALS, EDUCATION	\$12,655,227		\$12,655,227	\$13,031,260		\$13,031,260	\$3,103,000		\$3,103,000
TOTALS, CAPITAL OUTLAY	\$428,446,397	(1,804,858)	\$428,446,397 (1,804,858)	\$416,754,642	(1,151,000)	8416,754,642 (1,151,000)	\$349,758,243	(970,000)	\$349,758,243 (970,000)
TOTAL EXPENDITURES: State Operations	\$1,469,467,996	\$70,192,812 (157,887,177) (1,804,858)	\$1,539,630,808 (157,887,177) 428,446,397 (1,804,858)	\$1,459,845,137 416,754,642	\$83,063,504 (182,072,303) (1,151,000)	\$1,542,908,641 (182,072,363) 416,754,642 (1,151,000)	\$1,488,845,511 349,758,243	\$97,706,860 (136,531,445)	\$1,586,552,371 (136,531,445) 349,758,243 (970,000)
TOTALS, STATE OPERATIONS AND CAPITAL OUTLAY	\$1,897,914,393	\$70,192,812 (159,692,035)	\$1,968,107.205	81,876,599,779	\$83,063,504 (183,223,363)	\$1,959,663,283 (183,223,363)	\$1,838,603,754	\$97,706,860 (137,501,445)	\$1,936,310,614 (137,501,445)

Schedule 2-COMPARATIVE STATEMENT OF REVENUES; FISCAL YEARS 1971-72, 1972-73, 1973-74

MAJOR TAXES AND LICENSES; Alcoholic Beverage Taxes and Fees: Excise Tax on Beer and Wine	Special Funds \$12,613,465 73,926,279 8,800,698 259,633,388 666,923,153 45,502,390	817,374,073 817,374,073 94,716,845 20,081,929 662,521,906 247,423,772 19,818,436 69,380,345 200,373,871 170,178,550 259,633,358 666,923,153 45,502,390	St. 300,000 \$18,300,000 \$1,000,000 7,100,000 176,100,000 19,800,000 (2,995,182 265,000,000 189,000,000	Special Funds 814,130,000 75,400,000 8,911,818 279,100,000 1,606,800 710,020,000 49,100,000	Total	General Fund	Special Funds	Total
6 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	69 12 9 2	\$17,374,073 94,716,845 20,081,929 662,521,906 247,423,772 19,818,436 69,380,345 200,373,871 170,178,550 259,633,358 666,923,153 45,502,390	\$18,300,000 98,000,000 7,100,000 815,000,000 176,100,000 19,800,000 62,995,182 265,000,000	814,130,000 75,400,000 8,911,818 279,100,000 1,606,800 710,020,000 49,100,000	\$18,300,000 98,000,000 21,230,000 815,000,000 251,500,000			
2 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	5 6 2	94,716,845 20,081,929 662,521,906 247,423,772 19,818,436 69,380,345 20,0373,871 170,178,550 259,633,358 666,923,153 45,502,390	98,000,000 7,100,000 815,000,000 176,100,000 19,800,000 (2,995,182 265,000,000	\$14,130,000 75,400,000 8,911,818 279,100,000 1,606,800 710,020,000 49,100,000	98,000,000 21,230,000 815,000,000 251,500,000	\$18,200,000		\$18,200,000
φ - κ -	9 2	662,521,906 247,423,772 19,818,436 69,380,345 200,373,871 170,178,550 259,633,358 666,923,153 45,502,390	815,000,000 176,100,000 19,800,000 62,995,182 265,000,000 189,000,000	8,911,818 8,911,818 279,100,000 1,606,800 710,020,000 49,100,000	815,000,000	101,500,000 7,365,000	\$13,500,000	101,500,000 20,865,000
Ø	2 6 2	69,532,430 69,633,350 259,633,358 666,923,153 45,502,390	13,500,000 (2,995,182 265,000,000 189,000,000	8,911,818 279,100,000 1,606,800 710,020,000 49,100,000	10 000 000	995,000,000	76,500,000	995,000,000 255,000,000
	7 9 7	259,633,358 - 259,633,153 - 45,502,390	189,000,000	279,100,000 1,606,800 710,020,000 49,100,000	71,907,000	63,008,028	12,247,972	75,256,000
Lieu" Tax)	666,923,153 45,502,390 288,211,219	666,923,153		1,606,800 710,020,000 49,100,000	189,000,000	202,600,000	296,800,000	202,600,000
Motor Vehicle Find Tax:	666,923,153 45,502,390 288,211,219	666,923,153		710,020,000	1,606,800		818,000	818,000
Motor Vehicle Fuer Fash, Gasoline Diesel and Liquiffed Petroleum Gas. Motor Vehicle Registration and Other Fees		288.211.219		304,707,000	710,020.000 49,100,000 304,707,000		745,050,000 53,100,000 320,707,000	745,050,000 53,100,000 320,707,000
Off-Highway Motor Vehicle Registration and Oft-Programme Off-Programme O			1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	000 000 6	9 400 000	1	1 196 400	1 196 400
Other Fees Motor Vehicle Transportation Tax Personal Income Tax	28,622,972	28,622,972	1.995.000.000	31,000,000	31,000,000	2.175.000.000	750,000	750,000
Plates.	1,629,294	1,629,294	5 759 000	1,683,500	1,683,500	000 096 9	1,845,600	1,845,600
se Taxes. 2,01		2,015,993,478	2,262,000,000		2,262,000,000	3,000,000,000		3,000,000,000
TOTALS, MAJOR TAXES AND LICENSES. \$5,212,692,608	\$1,385,862,828	\$6,598,555,436	\$5,914,054,182	\$1,478,059,118	\$7,392,113,300	87,058,733,028	\$1,522,514,972	\$8,581,248,000
OTHER REVENUES: Architecture Public Building Fees.	\$1,307,258	\$1,307,258		\$1,600,000	81,600,000		\$1,600,000	\$1,600,000
Corporation Licenses, Permits and Examination 86,285,214		6,285,214	\$6,824,250		6,824,250	\$6,653,050		6,653,050
County Board Charges; Mental Hyziene Patients.		1.583.920						
Patients		4,097,810	5,716,000		5,716,000	4,915,000		4,915,000
		18,188,912	15,481,065		15,481,065	16,882,211	1	16,882,211
Clinic Fees	9 011 011	138,044	135,000	1 000 000	135,000	135,000	1 680 000	135,000
eposit Fund 48		48,664,880	46,433,030	00000014	46,433,030	44,931,318		44,931,318
nt 2,8		2,524,083	1,967,872		1,967,872	1,842,456		1,842,456
Department of Food and Agriculture 86,976		7,643,774	76,454	9,185,612	9,262,066	84,030	9,166,162	9,250,192
Department of Consumer Artains Arts Department of Health—Healing Arts	100,116,011	11,104,804	310,120	14,403,437	14,415,577	040,990	6,458,910	6,458,910
Department of Real Estate	5,649,398	5,649,398	1	6,183,800	6,183,800		6,511,000	6,511,000
nues	19,381,721	19,381,721	000	22,739,100	22,739,100	000 001 0	22,716,100	22,716,100
Department of Insurance Kevenues		4,074,545	- non'ene's		non'ene's	000,000,00		000,000,00

Schedule 2-COMPARATIVE STATEMENT OF REVENUES; FISCAL YEARS 1971-72, 1972-73, 1973-74-Continued

-74	Is Total	9	000 1,377,500 000 65,604,000 2,426,200 488,265 000 2,796,500	8	88,948,830,353	3165,047 215,000,000	\$215,165,047 ====================================
Estimated 1973-74	Special Funds		1,200,000		\$168,533,265	-81,870,876	-\$1,870,876 -====================================
	General Fund	63,940,000	3,279,000 488,265	5,055,570 2,837,000 3,888,000 2,655,000 5,981,656 14,200,012	\$7,257,782,116	\$1,870,876 165,047 215,000,000	\$217,035,923
	Total	185,782 65,583,000 7.147,374 1,553,000	710,300 96,456,000 2,426,192 8,096,118	22,440,000 3,921,000 3,921,000 4,560,079 8,354,000 3,626,000 2,878,959 5,475,200 40,566,650	\$412,632,914 \$7,804,746,214 \$85,000	154,152	\$312,247
Estimated 1972–73	Special Funds	185,782 7,147,374 1,508,000	533,300 94,321,000 2,426,192 7,608,438	2,450,500 6,046,000 3,921,000 5,618,000 9,959	\$215,716,438	- \$1,563,551	-\$1,563,551 \$1,692,212,005
	General Fund	65,583,000	2,135,000 487,680	16,400,000 4,560,079 2,736,000 3,626,000 2,869,000 5,475,200 12,373,726	\$196,916,470 \$6,110,970,658 \$85,000	1,563,551 154,152 73,095	\$1,875,798
	Total	110,196 41,105,792 8,181,939 716,550	1,096,910 29,217,795 2,580,284 467,766 3,438,423	3,438,423 19,385,349 3,621,677 7,929,844 2,979,844 2,979,844 2,979,844 2,986,146 5,199,041 25,808,829	\$298,251,681	\$143,900	\$151,565
Actual 1971-72	Special Funds	116,196 8,181,939 675,457	917,174 26,362,550 2,580,284	5,438,423 5,625,026 3,621,527 5,301,557 343,074 12,983,181	\$122,869,575 \$1,508,732,403	-3,208,028	-\$6,572,021 81,502,160,382
	General Fund	41,105,792	179,736 2,855,245 467,766	13,760,323 3,964,677 2,628,287 2,979,844 2,643,072 5,199,041 12,825,648	\$5.388,074,714	3,208,028 3,208,028 143,900 7,665	\$6,723,586 \$5,394,798,300
	Sources	OTHER REVENUES—Continued Interest on Investments: Interest Income	Other Interest Deposit Prosessions Other Interest Income. Oil and Gas Revenues: Revenues collected by State Lands Division Federal lands. Other. Penalties and Interest on Unemployment Contributions	Putions. Penalties on Traffic Violations. Penalties on Criminal Convictions. Secretary of State-Fees and Miscellaneous. Public Utilities Commission Revenues. Proceeds Under Unclaimed Property Tax. Sales of State Property. State Beach and Park Service Fees. Not Otherwise Classified.	TOTALS, OTHER REVENUES. TOTALS, REVENUES. OTHER INCOME—TRANSFERS: California Industries for the Blind Manufacturing Fund A.	Department of Human Resources Development Contingent Fund Driver Training Penalty Assessment Fund b Federal Revenue Sharing Fund b Opportunity Work Center Revolving Fund b	TOTALS, OTHER INCOME

[•] Includes oil royalties and bid bonuses.

• Not recorded as a reduction in special funds as these funds are not governmental cost funds and receipts are not included in budget totals.

Schedule 3

COMPARATIVE STATEMENT OF EXPENDITURES BY CHARACTER, FUNCTION, ORGANIZATION UNIT AND FUND FOR FISCAL YEARS 1971-72, 1972-73, AND 1973-74

	Page Ref-		Actual 1971-72	1971–72			Estimated 1972-73	1972-73			Estimated 1973-74	1973–74	
Organization Unit	·	General Fund	Special Funds	Total	Bond Funds	General Fund	Special Funds	Total	Bond Funds	General Fund	Special Funds	Total	Bond Funds
GENERAL GOVERNMENT Legislative: Legislative Counsil Bureau Lemission on Uniform State Laws Contributions to Legislators' Retirement Fund.	8141-00	\$30,049,024 1,871,362 166,592 11,742 1,036,229	\$-606,351	\$29,441,573 1,671,362 166,592 11,742 1,036,229		\$33,355,089 2,212,704 162,302 23,100 642,134	\$1,280,017	\$34,636,906 2,212,704 162,302 23,100 642,134		\$33.767.262 2,370,091 191,511 23,100 653,171	81,614,647	\$35.361,809 2,376,091 101,511 23,100 654,171	
Totals, Legialative Judicial: Judicial—Suprems Court, Appellate Courts, Judicial Council and Commission on Indicial Qualifications	=	\$33,137,849 \$6,696,250	\$-606,351	\$32,629,498 \$8.611.952		\$36,416,229	\$1,260,917	\$37,697,146 \$8,620,517		\$37,006,136	\$1,614,547	\$38,620,662 \$10.147,178	
Contributions to Judges' Retirement Fund	11	166,626	\$13,702	\$8,797,478		192,653	\$17,897	\$10,013,370		196,870	\$23,972	196,870	
Governor's Office: Governor's Office: Governor Secretary for Agriculture and Services. Secretary for Mealth and Welfare. Secretary for Reseruces. Office of Intergovernmental Management. Council on Intergovernmental Relations. Office of Emergenery Services. Office of Emergenery Services. Lieutemant Governor. Commission of the Californias.	16 22 23 32 32 34 44 46 46 50	\$1,093,722 107,335 7,224 139,622 39,224 103,337 96,457 77,660 344,437 35,690 28,350	\$148,139	\$1,693,722 107,335 107,335 156,883 139,661 223,022 39,224 103,337 94,457 77,660 34,437 36,990 26,330		\$2,061,667 125,273 9,402 406,006 262,378 140,378 60,278 1,066,372 124,311 342,404 41,275	\$203,602	\$2,051,567 125,273 212,904 406,096 262,376 140,376 60,276 1,066,382 124,311 342,491		\$2,645,664 370,244 12,405 607,239 356,669 136,718 66,015 1,607,396 12,070 401,912 401,912	\$266,623	\$2,545,864 370,244 281,226 507,239 412,239 1136,716 66,015 1,607,396 12,670 12,7870 401,912 43,846	
Totals, Executive		\$3,746,319	\$146,139	\$3,696,456		\$4,621,624	\$203,502	\$4,625,326		\$6,172,320	\$322,373	\$6,404,693	
General Administration: Department of Justice. Commission on Peace Officer Standards and Training. Council on Criminal Justice. Crime Technological Research Foundation. Administration and Payment of Tort Liability Claims. Indemnification of Private Clitices. State Controllor. Board of Equalization. Seretary of State. Heritage Preservation Commission. State Treasurer. Department of Finance.	62 63 94 101 104 105 119 147 165 165 176	\$22,670,661 113,086 74,003 202,098 675,000 6,981,031 2,500,0313 2,200,013 840,281 4,110,042	\$2,070,023 734,036 20,615 50 1,076,043 2,462,939	\$24,740,664 734,036 143,066 74,993 222,713 575,060 7,067,074 27,463,852 2,286,355 2,286,355 127 640,261 4,110,042		\$26,352,956 1,737,691 60,305 203,014 900,000 7,381,615 27,656,019 27,156,619 800 1,076,651 4,866,846	\$3,014,233 1,426,616 1,426,616 3,414 1,166,013 2,030,357	\$31,367,169 1,426,516 1,737,691 80,395 203,014 903,414 8,547,629 30,256,376 2,712,661 1,075,551 4,866,646		\$31,106,449 4,722,513 107,670 1,201,500 1,250,060 7,676,136 26,401,621 2,747,976 800 1,322,432 6,175,016	\$3.252.161 1,924,630 2,000 1,168,435 2,432,716	\$34,366,630 1,924,630 4,762,513 107,670 1,201,500 1,252,000 8,664,673 30,834,337 2,747,978 8,836 1,322,432 5,175,016	

	Page		Actual 1971-72	971–72			Estimated 1972–73	1972-73			Estimated 1973-74	1973-74	
Organisatioo Unit	er-	General Fund	Special Funds	Total	Bond Fuods	General Fund	Special Funds	Total	Bond Funds	General Fund	Special Funds	Total	Bond Fuods
STATE OPERATIONS—Continued				٠.									
GENERAL GOVERNMENT—Continued General Administration—Continued Commission on Government Organization and Economy Commission on Joverstate Cooperatioo Military Department. Public Utilities Commission.	162 163 192 205	\$46,200 110,730 4,453,704 6,301,011	\$5,674,096	\$46,200 110,730 4,453,704 12,175,109		\$57,610 110,730 5,173,700 7,231,473	\$6,392,130	\$57,610 110,730 5,173,700 13,623,603		\$110,192 110,730 5,672,563 7,622,647	\$6,493,537	\$110,192 110,730 5,672,563 14,116,364	
Tolels, General Administration		\$72,759,232	\$12,257,604	\$65,017,036		\$67,544,352	\$14,641,663	\$102,186,015		\$97,466,469	\$15,293,499	\$112,761,966	
Miscellaneous: Commission on the Status of Women. Intergovernmental Board on Electronic Data Processing Arta Commission. Horse Resing Board. California Chastel Zona Conservation Commission	210 213 219 221 221	\$33,749 5,000 167,967	\$366,350	\$33,749 5,000 167,967 366,350		\$63,366 32,500 209,616	\$446,045 500,000	\$63,366 32,500 209,616 446,045 500,000		\$52,940 54,756 247,161	\$470,636 1,250,000	52,940 54,756 247,161 470,636 1,250,000	
Band of Piot Commissioners for the Bays of San Francisco. Sao Pablo, and Suisun. Advisory Coordinating Council on Public Perspanel Management. Health Beoefits for Annuitants. Refunds of Taxes, Licenses and other Fees. Computer Installation—Department of Public Works. Development Cost of Consolidated Data Center.	222 229 231 232 240 240	15,467 3,111,093 14,664	33,224	33,224 15,467 3,111,093 14,664		133,533 4,317,946 30,000 100,000 1,400,000	44,253	44,283 134,533 4,317,946 30,000 100,000 1,400,000		5,157,933	38,904	36,904	
Tutais, Miscellaneous		\$3,347,950	\$309,574	\$3,747,534		\$6,266,185	\$990,296	\$7,276,463		\$5,542,610	\$1,759,542	\$7,302,352	
Debt Service: Bond Interest and Redemption. Payment of Interest on General Fluid Loans	246	\$105,749,676 8,641,066		\$105,749,676 9,641,066		\$115,694,119		\$115,694,119		\$122,312,516		\$122,312,516	
Tntals, Debt Service		\$115,390,962		\$115,390,962		\$115,694,119		\$115,694,119		\$122,312,516		\$122,312,516	
Unallogated: Augmentations for Salary Increase, Uniform Allowances.	256	\$90,976	\$2,905	\$93,661		\$6.206,625		\$6,296,625		\$165,701,000	\$60,342,000	\$226,043,000	
Reserve for Contingencies Legislative Claims Allocations for Tax Relief Administration	264	343,766	24,894	366,660		306,106 115,937 379,000	811,721	127,656 379,000		77,466 105,000	5,479	62,945	
Totals, Unalincated.		\$434,742	\$27,799	\$462,541	\$16,653	\$9,415,698	\$11,721	\$9,427,419		\$167,363,466	\$60,347,479	\$227,730,945	
TOTALS, GENERAL GOVERNMENT		\$237,602,640	\$12,236,667	\$249,641,507	\$16,653	\$269,975,660	\$17,145,996	\$267,121,876		\$446,207,792	\$79,361,412	\$525,569,204	
AGRICULTURE AND SERVICES Department of Food and Agriculture	230 314 321	\$11,692,512 130,000 1,265,924	\$6,612,213 3,266,600	\$20,504,725 3,156,800 1,285,924		\$13,620,287 -160,000 1,792,166	\$10,130,799	\$23,751,086 2,816,766 1,792,166		\$14,321,136 -105,000 2,041,111	\$11,140,015 3,241,000	\$25,461,151 3,136,000 2,041,111	

[·] From the State Construction Program Fund.

Page Ref- Organization Unit ence	e . 1		Anticol 10	71-72			Estimated 1972-73	OR CHAP			Estimated 1973-74	1973-74	
			Actual 19/1-/2					1972-73					
		General Fund S	Special Funda	Total	Bond Funds	General Fund	Special Funds	Total	Bond Funds	General Fund	Special Funds	Total	Bond Funds
STATE OPERATIONS—Continued													
S—Continued				90									
Division of Consumer Services 343	× 4	2100	\$407,542	407,542			\$498,284	\$498,284			\$536,441	\$535,441	
xaminers	4		137,259	137,259			159,297	159,297			183,752	183,752	
	.	164,581	004 740	164,581		\$207,088	9 420 058	207,088		\$213,488	9 494 190	213,488	
Bureau of Automotive Repair	7		324,543	404,269			449,117	449,117			448,539	448,539	
Science Examiners	8		127,938	127,938			217,158	217,158					
Cemetery Board 348	8		81,700	81,700			93,381	93,381			350 891	350 801	
Board of Chiroptactic Examiners	0		298,879	298,879			341,295	341,295			1004000	700000	
	1		2,689,338	2,589,338			3,174,134	3,174,134			3,328,589	3,328,589	
Board of Cosmetology 352	2		303 393	303 393			970,530	970,530			938,030	938,030	
	3.0		292,722	292,722			444,530	444,530			438,435	438,436	
cies	4		240,687	240,587			287,283	287,283			288,057	288,057	
mbalmers	2		115,652	115,552			143,893	143,893			164,128	154,128	
Board of Registration for Geologists	20 0	9 100	42,098	2.199		5.000	97,418	5.000		5.000	49,080	5.000	
Bureau of Home Furnishings	7	0011	472,285	472,285			492,249	492,249			502,354	502,354	
	8		39,412	39,412			47,749	47,749			50,531	50,531	
-	6		1,319,401	1,319,401			2,077,812	2,077,812					
Board of Examiners of Nursing Homa Administrators 360	0		128,080	128,080			107,074	107,074					
Board of Nursing Education and Nurse Registration 300	0 -		10.768	10,768			11.283	11.283			11.405	11.405	
	2		95,438	98,438			85,857	85,857					
Examiners	2		13,637	13,637			18,395	15,396					
	3		703,138	703,138			808,775	808,775				, ,	
sional Engineers	3	-	683,824	683,824			744,021	144,021			788,702	788,702	
Bureau of Repair Services	4 1		38 875	38 878			57.854	87.854			89 508	89 508	
	2 2		506,125	505,125			572,281	572,281			568,755	588,755	
edicine	19		85,854	85,854			108,052	108,082					
incre			490,622	490,822			554,893	554,693					
Totals, Department of Consumer Affairs		\$166,860	\$11,980,963	\$12,147,823		\$212,088	\$18,820,352	\$17,032,440		\$218,488	\$11,533,020	\$11,751,508	
Board of Control.		\$118,899		\$118,699		\$157,109		\$157,109		\$172,318		\$172,318	
cutive Committee		1,317,386	\$253,332	1,570,718		1,725,759	\$475,854	2,201,613		1,380,000	\$285,000	1,845,000	
State Fire Marshal 397		862,098	92,000	26.017.247		34.303.594	000'97	1,110,287		35.398.870		35.398.870	
Penartment of General Services 428		4,895,261	1,229,347	8,124,608		5,875,814	1,496,328	7,371,942		3,663,540	1,514,815	5,078,365	9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9
8	_	21,587,310		21,587,310		24,482,737		24,462,737		25,863,819		25,883,819	
nefits for Subsequent Injuries		1,945,000		1,945,000		2,274,000		2,274,000		2,368,225		2,388,225	
Stata Personnel Board		18.000		18,000		14,122,000		14,122,000		18,000		18,000	
		1,287,599		1,287,699									

	Page Ref.		Actual 1	ual 1971–72			Estimated 1972-73	1972-73			Estimated 1973-74	1973-74	
Organization Unit	ence	General Fund	Special Funds	Total	Bond Funds	General Fund	Special Funds	Total	Bond Funds	General Fund	Special Funds	Total	Bond Funds
STATE OPERATIONS—Continued AGRICULTURE AND SERVICES—Continued Department of Veterans Affairs: General Activities Veterans' Home of California	534 536	\$2,684,206 3,614,466		\$2,684,206 3,514,466		\$2,859,083 4,376,766		\$2,859,083 4,376,766		\$2,967,841 4,569,536		\$2,967,841 4,569,536	
TOTALS, AGRICULTURE AND SERVICES		\$83,717,738	\$25,459,655	\$109,177,393		\$106,655,172	\$31,995,121	\$138,650,293		\$107,341,755	\$27,693,850	\$135,035,605	
BUSINESS AND TRANSPORTATION Business: Department of Alcoholic Beverage Control. Alcoholic Beverage Control Appeals Board. Banking Department. Department of Corporations. Department of Corporations. Department of Insurance. Crime Insurance. Riot and Civil Disorders Insurance. Riot and Civil Disorders Insurance.	548 552 556 556 574 681 584 685	\$5,927,085 131,266 3,053,615 1,067,005 4,292,288	\$1,388,326 \$1,388,326	\$5,927,085 131,266 1,388,326 3,053,615 1,067,005 4,292,288 1,750,000 3,768,874		\$6,856,571 145,884 3,419,706 1,391,346 3,286,151 8,300 993,144	\$1,707,551	\$6,856,571 145,884 1,707,551 3,419,706 1,391,346 3,286,151 8,300 993,144 4,606,149		\$7,089,396 148,518 3,693,641 1,680,137 3,845,000 500,000 1,000,000	\$1,935,944 \$1,455,086	\$7,089,396 148,518 1,935,944 3,693,641 1,680,137 3,845,000 5,000 1,000,000 4,659,086	
Department of Savings and Loan	597	\$16,221,259	\$7,858,243	\$24,079,602		\$16,101,102	\$9,350,379	\$,036,679		\$17,956,692	3,173,036	3,173,036 \$27,624,758	
Transportation: Department of Transportation Office of Transportation Planning and Research Highway Users Tax Study Commission. Department of Aeronautics. Department of the California Highway Patrol Vehicle Equipment Safety Commission. Department of Motor Vehicles. Department of Public Works.	599 605 607 612 629 641 655	\$6,168	\$173,088 176 659,113 126,519,705 9,867 63,868,363	\$179,256 175 659,113 126,519,705 9,857 63,868,353		\$8,254	\$306,784 44,500 576,654 141,328,887 11,641 74,808,276 153,742,500	\$315,038 44,500 676,654 141,328,887 11,641 74,808,276 153,742,500		\$5,000,0000	\$378,652 30,225 684,384 144,210,756 13,250 77,780,386	\$5,000,000 494,741 30,325 584,364 144,210,756 77,780,386	
Totals, Transportation		\$6,168	\$322,340,369	\$322,346,537		\$8,254	\$370,819,242	\$370,827,496		\$5,116,089	\$382,236,263	\$387,352,352	
TOTALS, BUSINESS AND TRANSPORTATION		\$16,227,427	\$330,198,612	\$346,426,039		\$16,109,356	\$380,169,621	\$396,278,977		\$23,072,781	\$391,904,329	\$414,977,110	
RESOURCES Special Resources Services and Studies Environmental Protection Program Environmental Quality Study Council Environmental Quality Study Council Solid Waste Management Board Air Resources Board. California Advisory Committee. California Nevada Interstate Compact Commission. Colorado River Board. Department of Conservation. State Lands Division. Department of Fish and Game. Wildlife Conservation Board.	759 764 768 774 780 781 781 781 784 784 788 838 838 838	\$148,005 32,548 1,837 20,123 156,375 43,630,632 1,546,681	\$164,820 70,242 7,504,629 1,442,257 17,862,579	\$148,005 164,820 70,242 7,537,177 1,837 20,123 15,675 45,072,889 1,546,681 17,862,579 121,860		\$174,735 100,000 2,486,594 8,000 27,500 104,642 50,430,414 1,865,144	\$50,000 1,164,920 5,134,370 1,843,095 19,663,358 128,813	\$224,735 1,164,920 100,000 7,620,964 8,000 27,500 104,642 52,273,569 1,865,144 19,663,358 128,813		\$436,755 315,000 2,348,119 8,320 2,550 99,422 49,273,251 1,857,600	\$2,130,820 4,824,358 2,035,262 2,2545,279 148,510	\$439,755 2,130,820 315,000 7,172,477 8,320 27,500 99,422 51,308,513 1,837,600 22,545,279 148,510	

	Page		Actual 1971-72	971–72			Estimated 1972-73	1972-73			Estimated 1973–74	1973–74	
Organization Unit	Ref- er- ence	General Fund	Special Funds	Total	Bond Funds	General Fund	Special Funds	Total	Bond Funds	General Fund	Special Funds	Total	Bond Funds
STATE OPERATIONS—Continued													
RESOURCES—Continued Klamath River Compact Commission	861	. 9,725		9,725		4,725		4,725					
Department of Navigation and Ocean Development Department of Parks and Recreation Real mation Board	884	253,167 20,047,514 232,050		253,167 20,047,514 232,050		135,298	79,118	135,298	b\$120,700	138,240 26,225,246	95,052	138,240 26,320,298	b\$138,000
San Francisco Bay Conservation and Development Commission.	915	228,123		228,123		282,650		282,650		312,683		312,683	
Vater Resources Control Board	066	4,050,057		4,050,057	c\$3,298,468	4,584,006		4,584,006	c5,450,000	13,982,930 5,189,006		13,982,930 5,189,006	03,117,000
TOTALS, RESOURCES		\$81,919,133	\$27,166,387	\$109,085,520	\$3,298,468	\$96,104,377	\$28,063,674	\$124,168,051	\$5,570,700	\$100,478,210	\$31,779,281	\$132,257,491	\$3,255,000
HEALTH AND WELFARE Office of Educational Liaison.	ಣ					\$100.000		900		1 9 9 0 0 0		000	
Job Development Corporation Law Executive BoardOffice of Special Services	9	\$483,735		\$483,735		872,774		872,774		874,660		874,660	
Management Planning	23					50,000		50,000		205,319		205,319	
Health and War Consolidated Data Center	8 8					275,495		275,495		724,505		724,505	
Department of neaturi General Activities Neuronsvehjadric Institutes	86 46									18,295,497	\$134,696	18,430,193	
Hospitals for Mentally III. Board of Behavioral Science Examiners.	8 8									23,024,098	343 644	23,024,098	
Board of Chiropractic Examiners Board of Dental Examiners	85										135,014	135,014	
Board of Medical Examiners	85										2,081,648	2,081,648	
Board of Nursing Education and Nurse Registration	85										887,254	887,254	
Board of Osteopathic Examiners. Board of Pharmary	85										16,809	16,809	
Board of Examiners in Veterinary Medicine	85										107,219	107,219	
aminers	200										674,055	674,055	
Totals, Department of Health										\$57,352,598	\$5,626,372	\$62,978,970	
Departmental Administration Research and Training	150	\$6,352,143		\$6,352,143		\$7,605,190		\$7,605,190					
Neuropsychiatric Institutes Hospitals for Mentally III	151	13,287,399		13,287,399		15,569,604		15,569,604					
Hospitals for Mentally Retarded	151	83,340,286		83,340,286						,			
Totals, Department of Mental Hygiene		\$124,873,415		\$124,873,415		\$45,629,181		\$45,629,181					

From the Recreation and Fish and Wildlife Enhancement Fund.
 From the State Clean Water Fund.

	Page Dof.		Actual 1971-72	1971-72			Estimated 1972-73	1972–73			Estimate	Estimated 1973-74	
Organization Unit	er-	General Fund	Special Funds	Total	Bond Funds	General Fund	Special Funds	Total	Bond Funds	General Fund	Special Funds	Total	Bond Funds
STATE OPERATIONS—Continued BEALTH AND WELFARE—Continued Department of Public Health. Department of Human Resources Development. Department of Social Welfare. Department of Corrections. Department of Corrections.	217 251 296 326 364 459	\$10,574,981 9,204,015 6,795,186 8,524,196 110,571,750 50,418,534		\$10,646,894 9,790,676 6,795,186 8,524,196 110,571,750 50,418,534		\$13,262,479 10,973,527 7,220,941 10,622,827 125,757,803 56,600,021	\$76,820	\$13,339,299 12,188,279 7,220,941 10,622,827 125,757,803 56,600,021		\$12,109,213 6,999,531 11,635,454 128,708,931 54,499,466	\$1,181,351	\$13,290,564 6,999,531 11,635,454 128,708,931 54,499,466 911,000	
California Hospital Commission	soe .	\$321,445,812	\$675,242	\$322,121,054		\$367,571,211	\$2,075,902	\$369,647,113		\$274,372,677	\$7,693,723	\$282,066,400	
EDUCATION Education: Department of Education: Educational Commission of the States Genera Activities. National Defense Education Special Schools for the Handicapped	562 563 564 564	\$23,653 5,057,217 166,764 8,275,829		\$23,653 5,057,217 166,764 8,275,829		\$24,000 7,784,230 178,103 9,775,328		\$24,000 7,784,230 178,103 9,775,328		\$24,000 8,308,039 184,450 10,109,153		\$24,000 8,308,039 184,450 10,109,153	-
Totals, Department of Education		\$13,523,463		\$13,523,463		\$17,761,661		\$17,761,661		\$18,625,642		\$18,625,642	
Division of Libraries	565	\$1,829,758	\$1,880,700	\$1,829,758 1,880,700		\$2,016,929	\$1,731,151	\$2,016,929 1,731,151		\$2,056,760	\$1,680,000	\$2,056,760 1,680,000	
Totals, Education		\$15,353,221	\$1,880,700	\$17,233,921		\$19,778,590	\$1,731,151	\$21,509,741		\$20,682,402	\$1,680,000	\$22,362,402	
Figher Education: Coordinating Council for Higher Education	634 639 657	\$422,860 15,000 335,578,066	\$694,940	\$422,860 15,000 336,273,006		\$496,975 15,000 384,781,688	\$559.459	\$496,975 15,000 385,341,147		\$608,000 28,000 398,900,000 (30,690,000)	\$272,000	\$608,000 28,000 399,172,000 (30,690,000)	
Hastings College of Law Trustees of the California State University and Colleges	934	1,201,040		1,201,040 316,250,107		1,713,327		1,713,327 378,377,700		1,970,380 407,883,744		1,970,380 407,883,744 (34,260,000)	
Augmentation for Salary Increases California Martime Academy Board of Governors of the California Community Colleges State Scholarship and Loan Commission	1240 1253 1253	792,643 912,272 19,433,011	98,000	792,643 1,010,272 19,433,011		933,500 1,062,139 30,965,545		933,500 1,062,139 30,965,545		1,137,000 1,087,839 38,570,680		1,137,000 1,087,839 38,570,680	
Totals, Higher Education		\$674,604,999	\$792,940	\$675,397,939		\$798,345,874	\$559,459	\$798,905,333		\$850,185,643	\$272,000	\$850,457,643	
TOTALS, EDUCATION		\$689,958,220	\$2,673,640	\$692,631,860		\$818,124,464	\$2,290,610	\$820,415,074		\$870,868,045	\$1,952,000	\$872,820,045	
Credits to General Fund for Overhead Services Charged to Agencies Supported from Special Funds		-\$11,889,740		-\$11,889,740		-\$16,000,000 -5,000,000		-\$16,000,000 -5,000,000		-\$16,000,000 -10,000,000		-\$16,000,000 -10,000,000	
TOTALS, STATE OPERATIONS		\$1,418,981,430	\$398,412,203	1\$1,817,393,633	2\$3,315,121	\$1,653,540,460	\$461,740,926	1\$2,115,281,386	2\$5,570,700	\$1,786,341,260	\$540,384,595	1\$2,336,725,855	2\$3,255,000
	-												

a Nongovernmental cost fund expenditures are not included in this total. Bond fund expenditures are not included in overall budget totals.

	Page Ref-		Actual 1971-72	371-72			Estimated 1972-73	1972-73			Estimated 1973-74	1973-74	
Organisation Unit	ence	Gensral Fund	Special Funds	Total	Bond Funds	General Fund	Special Funds	Total	Bond Funds	General Fund	Special Funds	Total	Bnnd Funds
CAPITAL OUTLAY													
GENERAL GOVERNMENT General Administration Military Department.	193	\$165,000		\$185,000						\$88,020		\$88,020	
Unalineuted: Project Planning. Bagley Conservation Fund Augmentation. Transactory of Construction 1086 and Superment Rend	287	35,000	-\$40,000,000	35,000		80,000		80,000		75,000		75,000	
Instrument Cost of Constanting and Dissequent Doug	288								*\$250,000				-\$250,000
Totals, Unallocated		\$40,035,000	-\$40,000,000	\$35,000		\$80,000		\$80,000	\$250,000	\$75,000		\$75,000	\$250,000
TOTALS, GENERAL GOVERNMENT		\$40,200,000	-\$40,000,000	\$200,000		\$80,000		\$80,000	\$250,000	\$181,020		\$161,020	\$250,000
AGRICULTURE AND SERVICES Department of Food and Agriculture Financial Assistance to District Agricultural Associations Department of General Services Department of Velerans Affairs	302 315 438 544	83,345	\$1,459,348	\$1,459,348 83,345		3,098,655	\$4,148,959 150,000	\$4,148,959 3,246,855 170,390		\$250,000 915,920 2,725,237	4,810,850	\$250,000 4,810,850 1,885,920 2,725,237	
TOTALS, AGRICULTURE AND SERVICES		\$83,345	\$1,459,345	\$1,542,691		\$3,267,045	\$4,298,959	\$7,588,004		\$3,891,157	\$5,550,850	\$9,452,007	
BUSINESS AND TRANSPORTATION Department of the Childenia Highway Patrol. Department of Motor Vehicles. Department of Public Works:	832		\$1,415,635	\$1,415,535			\$11,254,082	\$11,254,062			\$3,348,040 7,279,500	\$3,348,040 7,279,500	
Division of Highways	969		328,902,450	328,982,450			384,479,755	364,479,755			342,113,385	342,113,385	
TOTALS, BUSINESS AND TRANSPORTATION			\$332,128,738	\$332,128,738			\$ 383,183,354	\$383,183,354			\$352,740,925	\$352,740,925	
Air Resources Board. Department in Conservation	802	\$268,780	- \$98,458	268,780		\$130,858	\$34,000	130,858		\$1,435,835		\$1,435,838	
State Lands Division Department of Finand Game Wildlife Conservation Board.	840		858,849	855,849	45,300 - 1338,969	00000	285,333	265,333	ь1,707,019		2,173,600	2,173,800	b2,825,010
Wildlife Conservation Board Wildlife Conservation Board Department of Navigation and Ocean Development	859 869 875		1,054	487,872	b184,165		548,048	750,000	b2,807,335		750,000	750,000	ь1,378,000
Department of Parks and Recreation: State Park and Recreation Commission. State Park and Recreation Commission.	006	475,782		475,782	44,978,928 b4,591,934	2,987,184	9,701,658	12,758,842	d18,015,148 b15,777,778	150,000	10,150,000	10,300,000	44,824,800 b9,797,858
Department of Water Resources	945 945 948	855,958	-198,850	859,108	e179,899,445 f57,147,087	1,701,833	25,000,000	28,701,833	*137,565,154	2,931,000	25,000,000	27,931,000	°107,100,325
TOTALS, RESOURCES		\$1,600,520	\$832,089	\$2,432,589	\$247,126,428	\$4,849,875	\$36,389,937	\$41,239,812	\$193,088,455	\$4,516,836	\$38,073,600	\$42,590,436	\$138,837,398

From the State Construction Program Fund.
 b From the Recreation and Fish and Wildlife Enhancement Fund.
 d From the State Beach. Park, Recreational and Historical Facilities Fund.
 From the California Watter Resources Development Bond Fund.
 f From the Colorial Valloy Water Project Construction Fund.

	Page Ref.		Actual	Actual 1971-72			Estimated 1972–73	1972–73			Estimated 1973-74	1973-74	
Organization Unit	ence	General Fund	Special Funds	Total	Bond Funds	General Fund	Special Funds	Total	Bond Funds	General Fund	Special Funds	Total	Bond Funds
CAPITAL OUTLAY—Continued													
HEALTH AND WELFARE Department of Health Department of Human Resources Development.	98	-\$8,326	-\$154,658	-\$8,326 -154,658	*-\$18,663	\$1,492,200	\$1,000,000 138,521	\$2,492,200 -138,521	a\$3,340	\$3,102,700	-\$134,660	\$3,102,700 -134,660	
Department of Corrections	372	100,000		100,000	а50,400	495,000 150,000		495,000 150,000	*250,400	2,004,160		2,004,160	
TOTALS, HEALTH AND WELFARE		\$91,674	-\$154,658	-\$62,984	\$31,737	\$2,137,200	\$861,479	\$2,998,679	\$253,740	\$5,176,860	-\$134,660	\$5,042,200	
EDUCATION Education: Department of Education: Special Schools for the Handicapped Children: School for the Deaf, Berkeley	577	\$43,000		\$43,000									
Schools for the Blind and for the Deaf	576								*\$85,000		\$20,000,000	\$20,000,000	
Totals, Education		\$43,000		\$43,000					\$85,000		\$20,000,000	\$20,000,000	
Higher Education: Augmentation for Higher Education Capital Outlay University of California	640	\$91,774,000	-\$91,774,000 -495,000	3-\$495,000	000'09 \$ -v	\$7,900,000	\$9,726,000	4\$17,626,000			\$17,253,000	\$17,253,000	
University of California	066	232,700	19,317,797	19,550,497	a789,541	22,048	42,139,401	642,161,449	8\$18,002,000 a2,269,171		48,096,000	648,096,000	\$54,651,000
TOTALS, STATE UNIVERSITY AND COLLEGES		\$92,006,700	-\$72,951,203	\$19,055,497	\$729,541	\$7,922,048	\$51,865,401	\$59,787,449	\$20,271,171		\$65,349,000	\$65,349,000	\$54,651,000
California Maritime Academy	1241 1267 1267	-\$8,464		-\$8,464	a\$36,822,098 a b (\$4,236,950)	\$12,551		\$12,551	a\$45,426,114 a b(957,642)				*\$35,990,100
Totals, Higher Education	Ī	\$91,998,236	-\$72,951,203	\$19,047,033	\$37,551,639	\$7,934,599	\$51,865,401	\$59,800,000	\$65,697,285		\$65,349,000	\$65,349,000	\$90,641,100
TOTALS, EDUCATION		\$92,041,236	-\$72,951,203	\$19,090,033	\$37,551,639	\$7,934,599	\$51,865,401	\$59,800,000	\$65,782,285		\$85,349,000	\$85,349,000	\$90,641,100
TOTALS, CAPITAL OUTLAY		\$134,016,775	\$221,312,292	1\$355,329,067	2\$284,709,804	\$18,268,719	\$476,599,130	1\$494,867,849	2\$259,372,480	\$13,745,873	\$481,589,715	1\$495,335,588	2\$229,528,496
TOTAL EXPENDITURES, STATE OPERATIONS AND CAP- ITAL OUTLAY		\$1,552,998,205	\$619,724,495	\$2,172,722,700	\$288,024,925	\$288,024,925 \$1,671,809,179	\$938,340,056	\$938,340,056 \$2,610,149,235	\$264,943,180	\$264,943,180 \$1,810,087,133 \$1,021,974,310 \$2,832,061,443	\$1,021,974,310	\$2,832,061,443	\$232,783,496

* From the State Construction Program Fund.

From the Realth Science Pacifities Construction Fund.

Prison as retarded as an expenditure in the 1969-70 faceal year when transferred from the General Fund and is therefore not included in overall budget totals.

Prison anount was treated as an expenditure are not included in this total.

Nongovernmental cost fund expenditures are not included in overall budget totals.

Nongovernmental cost fund expenditures are not included in overall budget totals.

Proposition of California expenditures for capital outlay also includes \$50,888,500 from nonstate funds, \$12,556,600 from University overhead funds, and \$22,613,000 from educational fees.

University of California expenditures for capital outlay also includes \$20,888,500 from nonstate funds of \$15,396,500 from the proposition of the 1972-73 fiscal year, \$16,522,786 for the 1972-73 fiscal year, \$16,522,786 for the 1972-73 fiscal year, and \$18,309,600 for the 1973-74 fiscal year.

The Community Colleges expenditures for capital outlay also includes district funds of \$31,779,664 for the 1971-72 fiscal year and \$84,389,684 for the 1973-74 fiscal year.

R1,545,250 R1,		Page Bef.		Actual 1971-72	971-72			Estimated 1972-73	1 1972-73			Estimated 1073-74	1 1073–74	
State Stat	Organization Unit	ence	General Fund	Special Funds	Total	Bond Funds	General Fund	Special Funds	Total	Bond Funds	General Fund	Special Funds	Total	Bond Funds
Counting for Passe Officer Bandrale 59 (11-26-164) (11	CENERAL GOVERNMENT Judichi: Salaries of Superior Court Judges	15	\$11,543,230		\$11,543,230 2,811,734		\$12,832,593 2,772,239		\$12,832,593 2,772,239		\$13,031,901 2,855,290		\$13,031,961	
Control for Pose Officer Standards Sta	Totals, Judicial.		\$14,354,964		\$14,354,964		\$15,604,832		\$15,604,832		\$15,887,251		\$15,887,251	
very Administration 221 \$135,001 \$13,001,002 \$13,001,003 \$10,001,003	General Administration: Assistance to Cities and Counties for Peace Officer Standards and Training Assistance to Courties for Public Defenders Payments to Counties for Cost of Homicide Trials	83 102 102 103	\$775,000 701,278 20,639	\$7,813,342	\$7,813,342 775,000 701,278 20,639		\$775,000	\$12,170,000	\$12,170,000 775,000 400,000		\$775,000	\$12,650,000	\$12,650,000	
Part	Totals, General Administration		\$1,496,017	\$7,813,342	\$9,310,259		\$1,175,000	\$12,170,000	\$13,345,000		\$775,000	\$12,650,000	\$13,425,000	
Option State	Miscellangous: Storm and Flood Damage Repair Earthquake Damage Repair	234	\$244,328	\$159,694	\$404,022		\$241,930 —119,615	\$450,000	\$691,930 —119,615		\$100,000 -109,696		\$500,000	
Property Tax Aussiance 221 \$83,301,581 \$83,501,581 \$121,71,522 \$133,001,000 \$133,000,000 \$133,000,000 \$133,000,000 \$205,0	Totals, Miscolianeous		\$124,679	\$159,694	\$284,373	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	\$122,315	\$450,000	\$572,315		969'6-\$	\$400,000	\$390,304	
perty Tax Relief	Property Tax Relief; Senior Gitizens' Property Tax Assistance. Personal Property Tax Relief. Open Space. Homeowners' Property Tax Relief. Renters Tax Relief.	241 242 244 243 244	\$8,301,884 84,881,331 231,599,716	\$36,860,191	\$8,301,884 121,741,522 231,599,716		\$00,000,000 133,000,000 13,000,000 242,800,000		\$60,000,000 133,000,000 13,000,000 242,800,000		\$62,000,000 208,000,000 22,000,000 647,250,000		\$62,000,000 208,000,000 22,000,000 647,259,000 40,000,000	
vertinent: str2.065.088 \$12,065.088 \$12,065.088 \$12,065.088 \$13,700,339 \$13,700,339 \$13,700,339 \$13,450.000 of Light Leave Fees. 271 2,313,127 2,313,137 2,313,137 2,313,137 2,313,137 2,313,137 2,313,137 2,313,137 2,313,137 2,313,137 2,313,137 2,313,137 2,313,137 2,313,137 2,313,137 2,313,137 2,313,137<	Totals, Property Tax Relief	-	\$324,782,931		\$361,043,122		\$148,800,000		\$4.18,800,000		\$979,250,000		\$979,250,000	
Motor Vehicle License Fees 272 245,857,846 245,857,846 255,87,876 252,00,000 255,00,000	Shared Revenue: For General Government: Apportionment of Liquor License FeesApportionment of Highway Properties Rental ReceiptsApportionment of Off Highway License Fees	271 271 271		\$12,965,088 2,313,127	\$12,965,088 2,313,127			\$13,790,339 2,472,103 1,606,800	\$13,790,339 2,472,103 1,606,800			\$13,450,000 2,642,000 818,000	\$13,450,000 2,642,000 818,000	
tres Tideland Bevenue	Apportionment of Motor Vehicle License Fees Apportionment of Cigarette Tax	272		245,857,816 73,444,590	245,857,846 73,444,590			75,200,000	75,200,000			76,300,000	76,300,000	
f Motor Vehicle Fue ITax 272 158,009,548 158,009,548 158,009,548 158,009,548 158,009,000 160,700,000 160,700,000 160,700,000 168,600,000	License Tax. For Cities and Counties Tideland Development: Apportionment of Tideland Revenue.	272	113,130		1,300,349		1,390,000		1,390,000		1,-150,000		120,000	
uel Tax 272 72,069,429 72,069,429 72,069,429 72,069,429 72,069,429 72,090,000 73,300,000 102,800,000 102,800,000 102,800,000 107,900,000 Sul-113,479 \$665,785,899 \$667,199,378 \$1,510,000 \$1,779,911,389 \$1,779,911,389 \$1,779,911,389 \$1,779,910,000	For County Roads: Apportionment of Motor Vehicle Fue Pax	272		158,009,548	158,009,548			160,700,000	160,700,000			168,600,000	168,600,000	
9uel Tax 272 101,120,271 101,126,271 101,126,271 101,126,271 101,126,271 101,120,200 \$605,785,899 \$667,199,378 \$1,510,000 \$609,479,242 \$700,589,242 \$1,570,000 \$735,110,000 IMENT \$342,172,970 \$710,019,126 \$1,052,792,496 \$467,212,147 \$711,699,242 \$1,178,911,389 \$997,472,555 \$748,100,000	for City Streets: Approximent of Motor Vehiele Fuel Tax For County Roads and City Streets:	272		72,069,429	72,069,429			73,300,000	73,300,000			76,800,000	76,800,000	
\$1,413,479 \$665,785,899 \$667,199,378 \$1,510,000 \$699,079,242 \$700,589,242 \$700,589,242 \$700,589,242 \$700,589,242 \$700,000 \$735,110,000	Apportionment of Motor Vehiele Fuel Tax	272		101,120,271	101,126,271			102,800,000	102,800,000			107,908,000	107,900,000	
\$342,172,970 \$710,019,126 \$1,052,792,096	Totals, Shared Revenuo		\$1,413,479	\$665,785,899	\$667,199,378		\$1,510,000	\$699,079,242	\$700,589,242		\$1,570,000	\$735,110,000	\$736,680,000	
	TOTALS, GENERAL GOVERNMENT		\$342,172,970	\$710,019,126	\$1,052,792,096		\$467,212,147		81,178,911,389		\$997,472,555		\$1,7-15,632,555	

	Bond Funds						d\$188,828		*36,000,000	\$36,188,828					
1973–74	Total	\$171,600 1,750,500 2,600,000 76,800	\$4,599,346	\$2.869,704 15,097,000 16,930,000	\$34,896,704	\$4,600,000	6,159,000	3,673,300		\$14,407,300	\$3,000,000	24,375,804 144,183,370 10,000,000	186.517,842 17,713,695 667,735,769	24,875,126	\$896,842,432
Estimated 1973–74	Special Funds	\$1750,500 2,600,000	\$4,350,500	\$2.869,704 15,097,000 16,930,000	\$34,896,704		\$6,000,000			\$6,000,000			272,733		\$272,733
	General Fund	\$171,600 446 76.800	\$248,846			\$4,600,000	159,000	3,673,300		\$8,407,300	\$3,000,000	24,375,804 144,183,370 10,000,000	186,517,842 17,713,695 667,463,036	24,875,126	\$896,569,699
	Bond Funds						d\$513.727		°29,000.000	\$29,513 727					
1 1972–73	Total	\$171,600 446 1,830,500 2,600,000 88,600	\$4,691,146	\$3,264,809 23,142,000 19,863,100	\$46,269,909	\$4,600,000	6,216,200	3,673,300		\$14,489,500		\$21,589,243 4,344,252			
Dstimated 1972-73	Special Funds	\$1,830,500 2,600,000	\$4,430,500	\$3,264,809 23,142,000 19,863,100	\$46,269,909		\$6,000,000			\$6,000,000					
	General Fund	\$171,600 446 88,600	\$260,646			\$4,600,000	216,200	3,673,300		\$8,489,500		\$21,589,243			
	Bond Funds						de1 891 489	10,011	19,543,644	\$21,368,126					
971-72	Total	 \$171,600 446 1,312,118 2,392,342 131,184	\$4,007,690	\$885,836 10.114 174 5,957,810 250,000	\$17,207,820		\$2,280,057	3,732 925		\$6,262,982					
Actual 1971-72	Special Funds	\$1.312,118 2.392,342	\$3,704,460	\$885,836 10,114,174 5,957.810 250,000	\$17,207,820		\$2,156,957			\$2,156,957					
	General Fund	\$171,600 446	\$303,230				\$123,100	3,732,925		\$4,106,025					
Раде	er- ence	301 301 301 315 486		612 690 690 756		775	871	938	166		m	24 25 25	98 98	87	
	Organization Unit	LOCAL ASSISTANCE—Continued AGRICULTURE AND SERVICES Salaries of County Agricultural Commissioners.————————————————————————————————————	TOTALS, AGRICULTURE AND SERVICES	BUSINESS AND TRANSPORTATION Airport Assistance Local Roads and Highways. Grade Crossing Protection Works Metropolitan Transportation Commission	TOTALS, BUSINESS AND TRANSPORTATION	RESOURCES Air Resources Board	State Financial Assistance to Local Agencies for Boating Facilities, Enforcement and Beach Erosion Control	Grants to Local Governments for Recreation. Department of Water Resources: Flood Control. Humbodt Bay	State Water Resources Control Board: Assistance for Construction of Water Quality Facilities.	TOTALS, RESOURCES	HEALTH AND WELFARE Office of Educational Liaison	Office of Special Services: Alcoholism Program. Developmental Disabilities Program.	Department of Health: Mental Health Services Special Sorial Service Programs	Medical Assistance Program. Assistance to Cities, Counties and Local Agencies for Health Services.	Subtotals, Department of Health

e From the State Clean Water Fund. d From the State Beach, Park, Recreational and Historical Facilities Fund.

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	Page Ref-		Actual 1971-72	1971–72			Estimated 1972-73	1972-73			Estimated 1973-74	1 1973-74	
Organization Unit	епсе	General Fund	Special Funds	Total	Bond Funds	General Fund	Special Funds	Total	Bond Funds	General Fund	Special Funds	Total	Bond Funds
LOCAL ASSISTANCE—Continued													
Department of Health Care Services	141	\$503,379,409	\$204,543	\$503,583,952		\$593,335,967	\$272,724	\$593,608,691				-	
Department of Mental Hygiene: Assistance to Local Agencies for Mental Health Services	152	180,848,966		180,848,966		218,177,523		218,177,523					
Department of Public Health: Assistance to Counties for Care of Crippled Children	219	15,280,398		15,280,398		18,261,300		18,261,300					
Assistance to Counties for Tuberculosis Sanatoria	220	686,513		717,199		853,932		853,932					
Assistance to Local Health Departments	220	4,784,737		4,784,737		4,797,545		4,797,545					
Assistance to Local Agencies for Family Planning.	222	287,527		287,527		726,778		726,778					
Subtotals, Department of Public Health		\$38,935,592		\$38,935,592		\$24,939,702		\$24,939,702					
Department of Social Welfare: Payment Systems	330	\$726,249,997 16,628,344		\$726,249,997 16,628,344		\$704,801,650		\$704,801,650 21,038,887		\$757,055,960 162,555		\$757,055,900 162,555	
County Administration	991	\$742,878,341		\$742,878,341		\$775,239,137		\$775,239,137		\$805,533,955		\$805,533,955	
Department of the Youth Authority: Assistance to Counties for Maintenance of Juvenile Homes	450	¢º 779 437		\$0 773 437		69 007 950		\$2.007.250		£3.224.28I)		\$3.224.280	
Assistance to Counties for Construction of Juvenile Homes	3	000 000		000 000		000 000		thou that		100 000		000 009	
and Camps. Assistance for Control of Juveniles Including Construction of	459	292,000		292,000	1	ດດດ"ກລອ		000,000		non'non		000,000	
Border Check Stations	460	142,324		142,324		143,646 233,300		233,300		144,308 233,300		233,300	
Assistance to Counties for Special Probation Supervision Programs.	460	17,718,723		17,718,723		21,981,300		21,081,300		23,742,000		23,742,000	
Subtotals, Department of the Youth Authority		\$21,153,684		\$21,153,684		\$25,055,496		\$25,055,496		\$27,943,888		\$27,943,888	
TOTALS, HEALTH AND WELFARE		\$1,487,195,992	\$204,543	\$1,487,400,535		\$1,664,681,320	\$272,724	\$1,664,951,044		\$1,911,606,716	\$272,733	\$1,911,879,449	

Schedule 3-COMPARATIVE STATEMENT OF EXPENDITURES-Continued

	Page Ref-		Actual 1971-72	.971–72			Estimated 1972-73	1972-73			Estimated 1973–74	1973-74	
Organization Unit	er-	General Fund	Special Funds	Total	Bond Funds	General Fund	Special Funds	Total	Bond Funds	General Fund	Special Funds	Total	Bond Funds
LOCAL ASSISTANCE—Continued													
EDUCATION													
Apportionments for Public Schools		\$1,474,389,672	\$23,455,648	\$1,497,845,320		\$1,601,920,978	\$12,364,049	\$1,614,285,027		\$2,157,207,320	\$5,325,000	\$2,162,532,320	
Loans to School Districts	20.00	-199,037		- 199,037	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	- 200,419		-200,419		-147,952		-147,952	
Indian Education Program	558					100,000		141,655		141,665		141,665	
Project SEED	2008					200,000		200,000					
Compensatory Education	200	587,201		567,204		604,000		604,000		604.000		604,000	
Special Elementary School Reading Instruction Program	569	17,885,000		17.885.000		18 899 625		19,518,000		10,670,030		10,670,000	
Children's Centers	670	10,249,720		10,249,720		11,094,522	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	11.034.522		10.961.250		10 961 950	
Grants to Teachers of Handicapped Children	570	146,103		146,103	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	150,000		150,000				0071706107	
Frec Textbooks	571	17,338,860		17,338,860		13,012,083		13,012,083		24,334,100		24,334,100	
Absistance to Public Libraries	27	800,000		000,003	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	800,000		800,000		800,000		800,000	
Assistance to New Community Collage	572	550,000		550,000	1	220,000		220,000		550,000		250,000	
יייייייייייייייייייייייייייייייייייייי	2	Thought 144		1,149,090						750,000		120,000	
Subtotals, Education	Ť	\$1,533,715,568	\$23,455,648	\$1,557,171,216		\$1,652,090,454	\$12,364,049	\$1,670,454,503		\$2,225,070,008	\$5,325,000	\$2,230,395,008	
Contributions to Teachers' Retirement Fund	615	\$20,000,000		\$20,000,000	1	\$135,000,000		\$135,000,000		\$135,000,000		\$135,000,000	
Debt Service on Public School Building Bonds	619	53,433,512	000 000 00	53,433,512		55,081,883		55.081,883		52,701,954	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	52,701,954	
School Ruilding Construction	622	oon'oon'oo	- 50,000,000	37			000,000,9	6,000,000			\$23,175,000	23,175,000	
Community Colleges Extended Opportunity Programs	1253	3,350,000		3,350,000		4,850,000		4,850,000		5,114,500		5,114,500	
TOTALS, EDUCATION	-	\$1,640,499,080	- \$6,541,315	\$1,633,954,765		\$1,853,022,337	\$18,364,049	\$1,871,386,386	-	\$2,417,886,462	\$28,500,000	\$2,416,386,462	
TOTALS, LOCAL ASSISTANCE	1	\$3,474,277,297	\$727,348,591	1\$4,201,625,888	2\$21,368,126	\$3,993,665,950	\$787,036,424	184,780,702,374	2\$29,513,727	\$5,335,621.879	\$822,179,937	\$6,157,801,816	2\$36,188,828
TOTAL EXPENDITURES: STATE OPERATIONS		\$1,418.981,430	\$398,412,203	\$1,817,393,633	\$3,315,121	\$1,653,540,460	\$461,740,926	\$2,115,281,386	\$5.570.700	\$1,796,341,260	\$540.384.505	\$2,336,725,855	£3 255 000
CAPITAL OUTLAY LOCAL ASSISTANCE		131,016,775	221,312,292 727,348,591	355.329,067 4,201,625,888	284,709,804	15,268,719 3,993,665,950	476,599,130 787,036,424	494,867,849	259,372,480 29,513,727	13,745,873 5,335,621,879	481,589,715 822,179,937	495,335,588 6,157,801,816	229,528,496 36,188,828
TOTALS, EXPENDITURES		\$5,027,275,502 \$1,347,073,086	1,347,073,086	\$6,374,348,588	\$309,393,051	\$5,665,475,129 \$1,725,370,480		\$7,390,851,609	\$294,456,907	\$7,145,709,012	\$1,844,154,247	\$8,989,863,259	\$268,972,324

¹ Nongovernmental cost fund expenditures are not included in this total, ² Bond fund expenditures are not included in overall budget totals.

CLASSIFICATION OF FUNDS IN THE STATE TREASURY

The Budget totals of revenues and expenditures reflect the activities of many separate funds. See Schedules 4 and 5 for complete list of these funds. They are segregated into the following classifications:

- GENERAL FUND—Consists of money received into the State Treasury not required by law to be credited to any other fund, to be used for general purposes of State Government.
- SPECIAL FUNDS—Funds created to receive certain revenues or to finance particular activities which are for general purposes of State Government or are for activities subject to the regulatory or police powers of the state.
- OTHER FUNDS—See Schedule 5 for list of funds which are not included in the Budget totals. They consist of moneys which were derived from sources other than general or special taxes, licenses, fees or other state revenues. There are receipts from the Federal Government, funds created for accounting purposes, receipts from sale of lands, or moneys held in trust. Funds not included in the Budget totals are segregated into the following classifications:
 - Working Capital and Revolving Funds—Funds created to finance services for governmental agencies for which charges are made at cost to maintain a fixed accountability. The charges are reflected as expenditures in the Budget at the agency receiving the commodity or service.
 - Public Service Enterprise Funds—Activities operated under state control for the benefit of the public. Funds are derived from charges to those who use the service and no support is derived from taxes, licenses or other state revenues. These functions are not subject to the regulatory or police powers of the state.
 - Bond Funds—To hold proceeds from the sale of bonds and to finance projects for which the bonds were authorized. The cost to the state is charged at the time interest payments are made and when the bonds are redeemed. (See Treasury funds for which no detailed transactions are reported in the Budget.)
 - Retirement Funds—Moneys held in trust by the state for retirement benefit payments.
 - Debt Service Funds—Moneys held by the state to be used for payment of interest or for redemption of bonds.
 - Trust and Agency Funds—Funds holding moneys in trust pending disbursements to trustors, moneys received from the Federal Government to be expended for specific purposes, and other funds which do not derive their sources from taxes or other state revenues, or are in the nature of transitory funds created for the convenience of accounting receipts or disbursements which are not necessarily revenues or expenditures.

Schedule 4

SUMMARY OF FUND CONDITION BY FUNDS AS OF JUNE 30, 1971, 1972, 1973, AND 1974

Fund	Accumulated surplus June 30, 1971	Actual income 1971-72	Actual expenditures 1971-72	Transfers between funds	Accumulated surplus June 30, 1972	Estimated income 1972-73	Estimated expenditures 1972-73	Transfers between funds	Accumulated surplus June 30, 1973	Estimated income 1973-74	Estimated expenditures 1973-74	Transfers between funds	Accumulated surplus June 30, 1974
GENERAL FUND.	\$232,817,944	\$5,394,798,300	\$5,027,275,502		\$256,261,851 1309,392,640 234,666,251	\$6,112,646,456	\$5,665,475,129		\$622,756,107 1402,317,000 222,538,962 \$(231,400,000)	\$7,474,618,039	\$7,145,709,012		\$900,506,524 1470,680,000 25,534,572 1(226,400,000)
California Water Fund. Department of Human Resources Development Contingent Fund.		(+3,363,993)		(+3,863,993).		(+1,568,551)		(+1,563,551).		(+1,870,876)		(+1,870,876)	
Transfers to Other Funds: Assembly Contingent Fund. Bagley Conservation Fund			(+10.283,496)	(-10,283,496)			(+12,837,887)	(-12,237,887)			(+12,838,043)	(-12,838,043)	
Capital Outlay Fund for Public Higher Education			(+11,774,000) (+80,000,000) (+3,755,000) (+3,000,000,000)	(-11,774,000) (-80,000,000) (-3,755,000) (-30,000,000)			(+4,039,000)	(-4,039,000)			(+8,800,000)	(-3,800,000)	
Senate Contingent Fund			(+8,933,223)	(-8,933,223)			(+7,968,921)	(-7,963,921)	-		(+8,866,790)	(-8,866,790)	
SPECIAL FUNDS: State Transportation Fund: Aeronauties Account	2,638,136	-1,133,161 3,327,443	1,576,759	+3,436,952 +432,009,962 +65,000,000	a3,367,166 16,344,525	-1,114,600 5,217,073	3,926,792	+3,500,000 +439,052,696 +100,000,000	a1,825,578	-1,197,200 3,264,500	3,538,457 530,893,500	+3,609,000 +432,609,000 +95,000,000	*669,919
Street and Highway Disaster Account	9,065,710	699,699	-218,247		9,873,546	500,777	_ 250,000		10,724,323	572,590			11,296,913
Motor Vehicle Account.	36,960,155	1,347,550	194,891,152	+278,949,738 -23,720,181	a35,654,110	906,250	233,918,791	+316,164,253	~20,607,822	720,000	230,966,614	+322,411,183	 a17,972,391
Transportation Tax Fund: Motor Vebicle Fuel Account	402,609	715,171,149	7,786,599	- 12,000 - 65,000,000 - 700,593,691 - 2,310,000 - 3,436,952 + 93,730,181	1,442,516	761,346,500	8,424,581	-100,000,000 -747,000,000 -2,310,000 -3,500,000	1,556,435	800,568,500	8,536,051	95,000,000 786,000,000 2,230,000 3,600,000	1,678,864
Highway Users Tax Account	80,949,969		331,205,248	+14,218,753	a56,267,394		336,800,000	+747,000,000	a57,014,394		353,300,000	+786,000,000	.57,105,394
Motor Vehicle Transportation Tax Account	6,777,015 15,179,375 2,313,067	28,708,215 261,583,419 2,472,261 290,727,103	21,266,197 254,620,809 2,313,127	-432,009,962 -14,218,763 -278,949,738	"270 22,141,965 2,472,211 "11,777,365	31,091,758 279,659,165 2,642,000 306,366,868	1,331,329	-439,052,898 -29,599,898 -316,164,253	160,801 23,292,915 2,542,106	760,000 297,335,562 2,622,000 322,411,163	920,801 296,249,669 2,642,000	-432,609,000 -322,411,183	22,376,568
Feeder Funds: Alcohol Beverage Control Fund Cigarette Tax Fund	961,962	12,613,465 73,926,279	12,965,068 73,444,590		n610,339 14,486,764	14,130,000	13,790,339		*950,000 14,689,764	13,500,000	13,451,050		*996,950 14,888,764
Other Governmental Cost Punds: Abandoned Vehicle Trust Fund Agriculture Fund	9,228,355	7,944,259	9,722,799	+2,310,000	7,260,977	14,100,000 9,568,454	837,719	+2,310,000	13,262,281 7,545,467 b9,409,513	600,000 9,576,162	5,059,658	+2,230,000	8,792,623 6,847,923 b2,345,186
Architecture Public Building Fund	542,704 5,366,308	1,322,322	1,229,347 $11,598,187$ $-10,283,496$	-10,030 (+10,283,496)	- 449,729 - 44,041,617	1,615,000	1,496,328 13,279,504	(+12,237,887)	- 331,057 - 33,000,000	1,615,000	1,514,815 13,738,043 -12,838,043	(+12.838,043)	

Schedule 4-SUMMARY OF FUND CONDITION BY FUNDS AS OF JUNE 30, 1971, 1972, 1973, AND 1974-Continued

Fund	Accumulated surplus June 30, 1971	Actual income 1971-72	expenditures 1971–72	between funds	surplus June 30, 1972	інеоше 1972-73	expenditures 1972-73	between funds	surplus Juno 30, 1973	income 1973-74	expenditures 1973-74	between	surplus Juoe 30, 1974
SPECIAL FUNDS—Continued Other Governmental Cost Funds—Continued Automative Repair Fund.		\$1,583,072	\$324,543	+\$12,000	\$1,270,529	\$2,797,200	\$2,430,958 11 072 848		\$1,538,771	\$2,998,500	\$2,424,139 12.350.000		\$2,209,132 12,428,100
Bagley Conservation Fund			1,054	(+40,000,000)	-548,948		010,218,11		*4,500,000		14,900,000		*3,250,000
Banking Fund	\$896,432	1,589,538	1,388,408		1,077,582	1,853,595	1,707,551		1,023,606	1,824,250	1,935,944		911,912
California Environmental Protection Program Fund	429,629	1,748,71	864,508		•1,358,474	002,051,1	000'110'1		•1,400,701	1,011,000	7011700		-250,859
California Hospital Commission Fund		521,307	18,869		21,307	847,500	784,330		367,808	562,250	888,000		134,058
California Water Fund	11,313,042	-18,094	-2,787,823	+188,434	•10,887,212	28,387,142	25,875,511		•11,398,743	27,233,970	25,588,400		•13,048,313
Capital Outlay Fund for Public Higher Education	-12,897,947	28,390,159	18,822,797	((-3,383,993)	(6,443,415)	89,321,000	(48,839,401)		(29,125,014)	37,325,000	(49,488,000)		(18,982,014)
			-80 000 000	(+11,774,000)	80.000.000		5.225.000		74.774.000		35,881,000		38,893,000
Chiropractic Examiners Fund	144,281	114,301	119,884	(Control of 1)	138,918	118,400	134,415		120,903	123,170	135,014		109,059
Collection Agency Fundamental	014,004	104104	100	+10,000					000 003		000 000 7		000 001 3-
Contingent Funds of the Senate and Assembly	4,989,987		3,098,428	+10,000	• 5,888,539		4,207,639	(+\$4,039,000)	000,000,00		-3,800,000	(+\$3,800,000)	-0,100,000
Bureau of Employment Agencies Fund	232,870	218,724	240,887		210,907	256,325	287,283		178,949	258,375	288,057		151,287
Contingent Fund	1,003,890	3,835,140	432,002		1,000,000	2,839,782	1,078,231		1,000,000	2,917,587	1,048,691		1,000,000
Rais and Fernalition Rund	2.188.459	-3,208,028 8.342.582	7.710.018	(-3,208,028)	188,125	-1,583,551	10,482,802	(-1,583,551)		-1,870,878 11,497,972	11,232,972	(-1,870,878) -285,000	
Fish and Game Preservation Fund	4,833,127	19,494,350	18,519,758		2 ,389,900 5,802,388	22,839,100	19,929,028		8,517,793	23,001,100	24,718,979		6,709,914
					a5,333		1		1	1000	0000		100 404
Geology Fund	124,514	18,204	18 918		100,020	185,600	52,718 87,111		139,253	8,327	49,080		189,781
Indemnity Fund.	257	1,207	200		1,414	2,000	3,414			2,000	2,000		
Nurses' Registry Fund	8,918	15,390	10,788		11,538	24,439	11,283		24,894	15,500	11,405		88/87
amining Board Fund	-13,188	280,901	128,080		139,833	177,290	107,074		209,849	237,100	99,252		347,697
Off Highway License Fee Fund						1,506,800	1,808,800		2.320.882	1.190.400	818,000		3,422,230
Off Highway Venicle Fund	10.938	18 143	13.837		13.444	13.130	18.398		10,178	10,310	18,809		9,879
Peace Officers Training Fund	9,733,081	9,246,553	8,547,378		10,432,258	000'186'6	13,598,558		6,802,700	10,745,000	14,574,830		2,974,070
Petrolcum and Gas Fund	98,717	1,444,003	1,297,126		233,894	1,412,353	1,507,892		140,034	1,542,139	1,578,887		100,000
Pilot Commissioners Fund	14,482	31,338	33,224		12,574	38,000	44,253		4,321	38,000	38,904		1,417
Professional Forester Registration Fund Professions and Vocations Funds:										100			
Accountancy Fund	266'888	257,391	407,542		528,848	831,110	498,284		883,872	239,600	535,441		387,831
Board of Architectural Examiners Fund.	591,929	239,228	137,259		593,898	98,518	159,297		833,117	170,150	183,752		788.272
Comptery Find	17.773	85.847	81,700		21.920	91.950	93,351		20,509	90,700	92,281		18,948
Contractors' License Fund	1,081,818	5,838,378	2,889,338		4,030,858	919,750	3,174,134		1,778,472	5,889,439	3,328,589		4,337,322
Board of Cosmetology Contingent Fund	1,414,227	338,081	824,758		927,532	1,832,050	970,530		1,780,052	378,175	938,030		1,227,197
Dentistry Fund	292,570	590,224	303,393		879,501	257,740	444,283		492,978	808,195	405,953		539 583
Dry Cleaners Fund	783,831	131,389	387,722		877,726	130 200	143 893		101,597	134,885	154.126		82,138
runeral Directors and Empainers rund	20,043	100,040	700,011		20.00	00*4001	0001011		1001101				

Schedule 4-SUMMARY OF FUND CONDITION BY FUNDS AS OF JUNE 30, 1971, 1972, 1973, AND 1974-Continued

Fund	Accumulated; surplus June 30, 1971	Actual income 1971-72	Actual expeoditures 1971-72	Transfers hetween fuods	Accumulated surplus June 30, 1972	Estimated income 1972–73	Estimated expenditures 1972-73	Transfers hetween funds	Accumulated surplus June 30, 1973	Estimated income 1973-74	Estimated expenditures 1973-74	Traosfers between funds	Accumulated surplus June 30, 1974
SPECIAL FUNDS—Contioued Other Governmental Cost Funds—Continued Bureau of Home Furoishings Fund Board of Landscape Architects Fund	879,934	93,941 72,387	472,265		501,810	757,710 15,710	492,249		767,071 19,398	74,500	502,354 50,531		339,217 45,297
Contingent Fund of the Board of Medical Examiners (Medical Practices Act)	3,402,998	2,260,784	1,457,165		3,606,158	856,400	2,194,148		2,668,869	2,495,250	2,185,823		3,178,296
Physical Therapy FundBoard of Nursian Education and Nurse Baristra.	156,322	84,495	47,861		194,958	25,475	69,279		151,152	86,947	79,716		158,383
tinn Fund.	521,030 84,819	871,144	899,432		892,742	928,831 148,257	883,549		757,824	898,800	887,254		769,170 189,608
Pharmacy Board Contingent Fund	70,289	1,140,084	703,138		507,237	463,380	808,775		181,842	1,233,225	815,091		310.846
Frivate investigator and Adjuster rund Professional Eogioeers Fund	557,432	265,156	683,824		138,766	1,018,500	744,021		413,245	486,590	786,702		111,133
Shurthand Reporters' FundBehavioral Science Framings Fund	166,139	29,348	38,878		158,809	98,200	87,854		167,155	30,000	89,508		147,647
Structural Pest Control Fued	581,717	861,185	506,125		738,777	580,275	572,261		724,771	642,825	586,755		800,841
Board of Veterinary Examiners Cootogent Fund Vocatiooal Nurse and Psychiatric Technician Ex- aminers Fuod (Vocational Nurse)	99,448	178,368	418,538		206,759	38,838	108,062		819,117	207,075	552,621		473,571
Vocational Nurse and Paychiatric Technician Examioers Fund (Paychiatric Technicians)	175,040	114,925	170,064		119,681	113,847	118,618		114,912	106,575	121,434		102,053
Property Tax Relief FundBearsh and Recovery Find	36,880,191	850.890	517.511		1.519.369	922.158	1.020.401		1,421,126	978,125	570,401		1,628,850
Real Estate Fund	4,182,851	5,103,512	3,384,813		5,901,750	5,823,119	3,757,748		7,767,121	8,011,000	4,160,665		9,817,438
Reapir Services Fund	257,171	333,205	282,253		308,123	314,250	323,481		296,912	313,179	336,445		275,648
Savings and Loan Inspection Fund	1,187,473	2,787,574	2,701,043		1,274,004	2,726,250	3,036,879		983,575	2,686,400	3,173,036		476,939
School Fund Sefet: Fund	343,781	2,893,241	30,000,000	(+30,000,000)	#30 000,000	607'716'01	8.000.000		*24.000.000	7,101,000	23.175.000		*825,000
Seoste Contiogent Fund	1,428,172		7,666,753	-10,000	2,680,842		8,034,682		-2,809,861		9,181,337		-2,295,334
			-8,933,223	(+8,933,223)	· · · · · · · · · · · · · · · · · · ·		-7,983,921	(+7,983,921)			-8,666,790	(+8,865,790)) 1000
Snnwmobile Trust Fuod	1,562	8,258	085 084	1 996 000	7,820	1,000	A70 90K	1.998,000	14,820	7,000	985 010	1.985 000	21,620
State Fair Fund.	188,471		37	-186,434	719,807		007'914	000,607	4,100		010,002	000,007	
Strong Motion Instrumentation Special Fund		144,028	17,349		126,677	250,000	195,870		180,807	250,000	203,950		228,857
Subsideocs Abatement Fund	103,048	132,554	127,782		107,820	129,988	139,333		96,475	142,409	140,684		100,000
Teacher Credsntials Fund	9 015 407	2,011,011	1,880,700		130,311	1,600,840	6 309 130		1 695 409	1,680,000	8, 493, 537		1.178.872
Wildlife Restoration Fund Augmentation for Salary Increases	2,005,791	887,229	589,532		2 ,303,486	876,319	878,813		-2,300,994	884,875	898,510		-2,287,359 -80,342,000
TOTALS, SPECIAL FUNDS	\$266,829,264	\$1,502,180,362	\$1,347,073,088		\$250,787,437	\$1,892,212,005	\$1,725,376,480		\$251,013,440	\$1,689,177,361	\$1,844,154,247		\$125,498,185
					*186,820,585 b2,498,836 c9,700	-			*135,306,111 b2,422,513 c6,021				*105,921,519 b2,346,188 c11,307
					11								
GRAND TOTALS, ALL STATE FUNDS	\$499,647,308	\$8 ,898,958,862	\$ 8,374,348,588		\$507,049,268 1309,392,840 *34,686,251 *34,686,251 *188,620,585 *2,498,838	\$7 ,805,058,461	\$7 ,390,851,809		\$873,769,547 1402,317,000 222,836,962 3(231,400,000) 1135,308,111 52,422,513 98,021	\$9,183,995,400	\$8 ,969,863,259		\$1,025,002,709 1470,880,000 25,634,572 \$(226,400,000) \$105,921,519 \$2,346,188
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Schedule 4-SUMMARY OF FUND CONDITION BY FUNDS AS OF JUNE 30, 1971, 1972, 1973, AND 1974-Continued

	Juoe 30, 1973	Juoe 30, 1973 June 30, 1974	Special Fueds-Reserve for Unencumbered Balance of Coatinuing Appropriations,
¹ Geoeral Fund—Reserve for Working Capital	\$402,317,000	\$470,680,000	" Invesce in Agriculture istudiog fund. * Reserve for Geothermal Energy Account.
State Operations Capital Outlay	7,706,769	4,444,044	
Local Assistance	14,783,335	1,041,670	
Total Unencumbered Balance of Continuing Appropriations—General Fund	\$22,638,962	\$5,634,572	
³ Federal Revenue Sharing Fund-Cash. (\$231,400,000) (\$226,400,000)	(\$231,400,000)	(\$226,400,000)	

Schedule 5

STATEMENT OF BALANCES IN OTHER TREASURY FUNDS WHICH ARE NOT INCLUDED IN THE BUDGET TOTALS

	Total	\$75.954 14,121,351 113,473 64,391 2,346,334 11,852,778	354,670 2,580,601 18,230 18,230 151,157,342 3,690,781 11,163,343 1,163,343 2,613,363 2,613,363 2,613,363 2,613,363 2,613,363 2,613,363 2,613,363 2,613,363 2,613,363 2,613,613 2	1,814,295 140,840 148,000 14,812 3,871,051 24,108 24,108 1,357 2,001,070 72,282	45,944,672 2,403,846 1,403,642,05 2,804,634,206 49,396 8,82 2,676,933 2,676,933 2,676,933 2,425,637 3,425,637 1,939,650 1,939,650
il i	Due From Surplus Money Investment Fund	\$11,835,000	2,511,000 1,155,000 -461,070,100 975,000	13,000 3,850,000 24,000 1,995,000 66,000	45,725,000 2,207,500 115,000 625,000 2,605,000 2,605,000 2,515,000 8,491,000 1,850,000 1,850,000
June 30, 1972 Balance	Securities				\$288.640,951 109,267,670
	Cash	\$75,954 14,121,351 113,473 64,301 2,346,354 17,778	354,670 69,281 613,601 18,230 528,700 151,157,342 3,690,781 861,088,77 2,613,363 1,414,943 81,888	1,814,295 146,840 18,000 1,812 21,051 3,984 1,537 6,070 6,070	219,672 202,346 27,057 159,238 49,396 828 29,859 771,719 376,200 1,870,752 24,752 24,752 85,637 3,420 89,850
	Total	\$25.467 28,199,781 30,865 248,908 1,249,203 75,000 11,088,326 489,248	1,771,612 2,205,279 195,122 17,175 472,205 146,415,870 2,609,559 379,831 10,144,010 2,280,885 1,072,933 81,488	1,218,475 149,140 185,700 25,432 3,297,373 3,984 7,899 12,916 12,916 3,432,951 69,727	34,595,128 1,614,514 1,614,514 1,618,93 277,681,491 50,539 709,385 2,430,151 24,294,503 7,153,014 93,942,398 69,755,481 955,280 1,181,735 1,181,735 1,269,342
June 30, 1971 Balance	Due From Surplus Money Investment Fund	\$11,060,000	535,000 300,000 -307,526,730	25,000 3,240,000 70,000 10,000 3,400,000 66,000	34,525,000 1,577,500 100,000 900,000 660,000 23,955,000 6,980,000 6,980,000 1,040,000 1,260,000
June 30, 19	Securities				\$275,908,600 93,083,912
	Cash	\$25,467 28,199,781 30,865 24,908 1,249,203 75,000 28,326 489,248 16,160	1,771,612 1,670,279 1,670,279 17,175 472,205 146,415,870 2,609,559 70,831 317,670,760 2,280,885 72,933 81,498	1,218,475 149,140 185,700 432 57,373 3,984 4,999 2,916 32,951 3,727	70,128 37,014 16,893 872,891 50,539 49,885 10,151 339,503 173,014 858,486 276,481 35,280 141,735 9,342
	Fund	WORKING CAPITAL AND REVOLVING FUNDS: Agriculture Building Fund Architecture Revolving Fund Ballot Paper Revolving Fund California Industries for the Blind Manufacturing Fund Correctional Industries Revolving Fund. General Ohligation Bond Expense Revolving Fund Harbors and Watercraft Revolving Fund Highways Right of Way Acquisition Fund Opportunity Work Centers Revolving Fund	Old Age and Survivore Insurance Revolving Fund Public Building Construction Fund Revolving Loan Fund Revolving Loan Fund School District Organization Revolving Fund State Payroll Revolving Fund State Payroll Revolving Fund State Publicy Control Fund Surplus Education Property Revolving Fund Surplus Money Investment Fund Water Resources Revolving Fund Professions and Vocations Fund Water Resources Control Board Revolving Fund	PUBLIC SERVICE ENTERPRISE FUNDS: San Francisco Harbor Funds: Harhor Bond and Sinking Fund San Francisco Seawall Sinking Fund San Francisco Seawall Sinking Fund No. 2 San Francisco-Seawall Sinking Fund No. 2 Toll Bridge Funds: San Francisco-Oakland Bay Bridge Construction Fund San Francisco-Oakland Bay Bridge Toll Revenue Fund Toll Bridge Authority Revolving Fund San Pedro-Terminal Island Toll Bridge Construction Fund San Diego-Coronado Bridge Construction Fund Nincent Thomas Bridge Construction Fund	Central Valley Water Project Construction Fund Central Valley Water Project Revenue Fund Central Valley Water Project Revenue Fund Conlege Auxiliary Enterprise Fund Compensation Insurance Fund Health Facility Construction Loan Insurance Fund Rapid Transit Tube Construction Fund State College Dormitory Building Maintenance and Equipment Reserve Fund State College Dormitory Construction Fund State College Dormitory Revenue Fund Unemployment Compensation Disability Fund Veterans Farm and Hone Building Fund of 1943 State College Continuing Education Fund State College Continuing Education Fund State College Extension Program Revenue Fund India Basin Sinking Fund State College Facilities Revenue Fund

IN OTHER TREASURY FUNDS WHICH ARE NOT INCLUDED IN THE BUDGET TOTALS—Continued	
THE BUDGET	
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which A	
FUNDS	
Schedule 5 TREASURY FUNDS WHICH ARE	
OTHER	
Z	
BALANCES	
Q.	
STATEMENT	

	Total	\$31,783,938 120 161,877,441 72,719,742 62,464 29,748,934 5,373,150 77,823,662	21,136 1,805,896 4,846,605,286 2,114,114,900	0614100	3,089,046 58,183,058 3,037,857 542,952 1,154,004	15,720,333 719 2,258,679 1,621,014	49,031,453 1,691,006 1,81,397	7,049,409	242,804 614,429 1,497,420 7,724,991	474,252 15,428 50,000	60,000	\$8,355,578,836	256,261,851 163,632,931 315,650,880 89,906,618	120,650,696		\$9,801,711,960
June 30, 1972 Balance	Due From Surplus Money Investment Fund	\$31,703,000	21,100	000,250,0			14,184,000	4,570,000			220,000	\$-133,262,500	88,092,260			
June 30, 19	Securities		\$1,747,261 4,846,190,894 2,097,647,631			15,581,105	1,328,687	2,314,302	122,738			\$7,364,469,558	67,971,876	497,683,589,764	000,000,486	\$9,341,781,197
	Cash	\$80,938, 120 161,877,441 72,719,752 2,464 29,748,934 5,373,180 77,823,662	36 58,635 414,392 16,467,269	682,798	3,089,646 58,183,058 3,037,857 542,952 1,154,004	139,228 719 2,258,679	1,095 34,847,453 362,319 181,397	142,337 209 165,107	242,954 491,691 1,497,429	7,724,991 323 474,252 15,428	60,000 60,000 8,939	\$1,124,371,778	266,261,851 7,568,806 268,680,630 89,906,618	120,560,636 120,660,636 -1,203,539,764	000,000,469-	778-690,07-8q
	Total	\$66,173,253 9,761 77,208,420 81,577,521 63,106 14,859,766 49,582,671	152.285 1,658,815 4,548,437,604 1,973,902,003	5,807,753	1,220,810 60,721 521,790 1,052,202 133,357	22,405,176 2,329,569 1,766,425	2,099,108 36,409,918 566,064 153,967	141,994 9,584 6,814,527	103,793 910,461 607,840	8,241,255 8,553 288,681 19,878		\$7,598,643,851	6,600,011 64,666,016 165,076,710 98,443,656	217,324		\$8,171,822,868
June 30, 1971 Balance	Due From Surplus Money Investment Fund	000'090'99\$. 145,000	4,012,000			10,299,000	3.380.000				\$-60,017,250	26,817,260 34,200,000			
June 30, 19	Securities		\$1,603,142 4,547,707,856 1,960,007,932	1,726,930		22,399,281	1,752,538	3 985 3801	000'006			\$6,908,940,094	33,150,000 25,470,000	80,079,779	93,400,000	\$8,158,630,130
	Cash	\$83,253 9,761 77,208,420 81,577,521 3,106 14,859,766 49,844 9,582,571	7,285 55,673 729,748 13,894,071	68,823	1,220,810 60,721 521,790 1,052,272 133,357	5,895 2,329,569 1,766,425	346,570 ³ 26,110,918 1,542	141,994 9,584	103,793 10,461 607,840	8,241,255 8,553 288,681 19,878		\$749,721,007	6,600,011 6,698,765 96,406,710	20,447,000 217,324 249,276,402 -677,670,036	- 420,000,000 - 93,400,000	\$15,192,738
	, Fund	BOND FUNDS: California Water Resources Development Bond Fund. Public School Building Loan Fund State School Building Aid Fund. State Construction Program Fund Small Craft Harbor Bond Fund. State Beach, Park, Recreational and Historical Facilities Fund. Recreation and Fish and Wildlife Enhancement Fund. State Clean Water Fund.	RETIREMENT FUNDS: Judges' Retirement Fund Legislators' Retirement Fund Legislators' Retirement Fund Teachers' Retirement Fund Teachers' Retirement Fund	DEBT SERVICE FUNDS: State College Dormitory Interest and Redemption Fund	TRUST AND AGENCY FUNDS: Federal Funds: Public Health—Federal Fund Social Welfare—Federal Fund Unemployment Administration Fund Vocational Education—Federal Fund	Other Trust and Agency Funds Condemnation Deposit Fund Health Care Deposit Fund Hishway Perperty Rends	E PE	State Park Contingent Fund. State Properties Rental Fund. Tax Deeded Land Rental Trust Fund.	Unclaimed Property Fund Unemployment Fund State Guranteed Long Reserve Fund Officer The Section Property	Calloring Traile Sancey Trog. Manpower Development Fund. California Bicentennial Celebration Fund. State Job Development Loan Guarantee Fund. Colifornia Arte Commission Fund.	Uninsured Employers Fund. State College Special Fund. State College Trust. Fund.	TOTAL BALANCES IN OTHER TREASURY FUNDS	General Fund Motor Vehicle Funds. Highway Fund and Motor Vehicle Funds. Other Special Funds.	Agency Bank Accounts Uncleared Collections Warrants Outstanding	Time Deposits Account Time Deposits in Barks. Pooled Money Investments — Due from General Fund (Loans).	TOTAL, STATE OF CALIFORNIA ACCOUNTABILITY

[•] Not identified as to fund. • b Balance per hank balances on June 30, 1972 is \$52,402,000.

Schedule'6

COMPARATIVE STATEMENT OF EXPENDITURES OF FEDERAL AID GRANTED TO THE STATE OF CALIFORNIA FOR THE FISCAL YEARS 1971-72, 1972-73, AND 1973-74

				Actual 1971-72		Ā	Estimated 1972-73		Ħ	Estimated 1973-74	
	Department	Page refer- ence	Grants	Reimburse- ments and special projects	Total	Grants	Reimburse- ments and special projects	Total	Grants	Reimburse- ments and special projects	Total
	STATE OPERATIONS										
	GENERAL GOVERNMENT Executive: Office of Emergency Services	41	\$695,406	\$1,073,101	\$1,768,507	\$799,270	\$1,113,776	\$1,913,046	\$1,973,617	\$845,299	\$2,818,916
	Office of Emergency Services—Disaster Relief and Matching Funds to Local Governments. Office of Intergovernmental Management. Office of Planning and Research. Council on Intergovernmental Relations.	41 32 46 36	292,249 70,509 162,740	(56,706,130)	(56,706,130) 292,249 70,509 162,740	816,250 101,000 20,000	(74,356,935)	(74,356,935) 816,250 101,000 20,000	686,250 156,000 20,000	(25,132,074)	(25,132,074) 686,250 156,000 20,000
	Totals, Executive		\$1,220,904	\$1,073,101 (56,706,130)	\$2,294,005 (56,706,130)	\$1,736,520	\$1,113,776 (7±,356,935)	\$2,850,296 (74,356,935)	\$2,835,867	\$845,299 (25,132,074)	\$3 681,166 (25,132,074)
B-22	General Administration: Department of Justice—Support Peace Officers Standards and Training California Council on Criminal Justice California Council on Criminal Justice California Crime Technological Research. Foundation	62 83 94 101	\$2,346,390 648,228 ^12,699,270 1,150,913	(\$33,291,112)	\$2,346,390 648,228 *12,699,270 (33,291,112) 1,150,913	\$6,680,078 453,439 •14,135,650 1,607,918	(\$36,275,250)	\$6,680,078 453,439 •14,135,650 (36,275,250) 1,607,918	\$579,267 250,000 14,506,845 2,699,753	(\$36,275,250)	\$579,267 250,000 14,506,845 (36,275,250) 2,699,753
	Military-Department: Maintenance and Operation of Facilities	192	2,242,323	(61,433,897)	2,242,323 (61,433,897)	3,466,287	(70,965,178)	3,466,287 (70,965,178)	4,446,538	(74,274,121)	4,446,538 (74,274,121)
	Totals, Military Department		\$2,242,323	(61,433,897)	\$2,242,323 (61,433,897)	\$3,466,287	(70,965,178)	\$3,466,287 (70,965,178)	\$4,446,538	(74,274,121)	\$4,446,538 (74,274,121)
	Public Utilities Commission—Support	204		\$17,359	\$17,359		\$102,500	\$102,500		\$111,000	\$111,000
	Totals, General Administration		\$19,087,124	\$17,359 (94,725,009)	\$19,104,483 (94,725,009)	\$26,343,372	\$102,500 (107,240,428)	\$26,445,872 (107,240,428)	\$22,482,403	\$111,000 (110,549,371)	\$22,593,403 (110,549,371)
	American Revolution Bicentennial Commission Arts Commission Advisory Coordinating Council on Public Personnel Management.	214 216 229	\$104,270	1,007,000	\$104,270	\$38,140	1,200,000	\$38,140 125,000 1,200,000	\$51,860 175,000	1,440,000	\$51,860 175,000 1,440,000
	TOTALS, GENERAL GOVERNMENT		\$20,412,298	\$2,097,460 (151,431,139)	\$22,509,758 (151,431,139)	\$28,243,032	\$2,416,276 (181,597,363)	\$30,659,308 (181,597,363)	\$25,545,130	\$2,396,299 (135,681,445)	\$27,941,429 (135,681,454)

[■] The major portion of this amount due to previous method of reporting for information purposes was inadvertently shown as an expenditure of Federal Funds rather than as reimbursements in the individual State Departments that received project funds from CCCJ.

			Actual 1971-72		H	Estimated 1972-73		a	Estimated 1973-74	
Department	Page refer- ence	Grants	Reimburse- ments and special projects	Total	Grants	Reimburse- ments and special projects	Total	Grants	Reimburse- ments and special projects	Total
STATE OPERATIONS—Continued										
AGRICULTURE AND SERVICES Department of Food and Agriculture—Support.	299		\$2,422,078	\$2,422,078		\$2,704,190	\$2,704,190		\$3,051,177	\$3,051,177
Board of Pharmacy. Department of Industrial Relations—Support. Personnel Board—Support.	362 477 502	\$847,292	12,544	12,044 847,292 716,836	\$988,132	233,155	988,132	\$837,760	143,377	837,760 143,377
Veterans Home of California: Care and Maintenance of Veterans	535	2,720,726		2,720,726	2,423,835	200,000	2,623,835	2,484,735	200,000	2,684,735
TOTALS, AGRICULTURE AND SERVICES		\$3,568,018	\$3,151,458	\$6,719,476	\$3,411,967	\$3,137,345	\$6,549,312	\$3,322,495	\$3,394,554	\$6,717,049
BUSINESS AND TRANSPORTATION Business: Department of Housing and Community Development— Support.	574		\$199,070	\$199,070		\$222,794	\$222,794		\$209,732	\$209,732
Transportation: Office of Traffic Safety	601	\$490,420		490,420	\$623,962	250,000	623,962	\$669,646		669,646
Department of Acronautics—Support	612 628 655	454,708	360,418	454,708 360,418 90,575		12,000	12,000		1,263,225	1,263,225
Totals, Transportation		\$945,128	\$450,993	\$1,396,121	\$623,962	\$319,252	\$943,214	\$669,646	\$1,263,225	\$1,932,871
TOTALS, BUSINESS AND TRANSPORTATION		\$945,128	\$650,063	\$1,595,191	\$623,962	\$542,046	\$1,166,008	\$669,646	\$1,472,957	\$2,142,603
Air Resources Board—Support	774 797 836 869	\$2,757,347	\$879,118 1,167,526 877,628 102,000	\$879,118 1,167,526 3,634,975 100,000	\$3,405,125	\$880,000 1,372,812 1,105,839	\$880,000 1,372,812 4,510,964 143,000	\$3,311,675	\$880,000 1,234,700 1,116,748	\$880,000 1,234,700 4,428,423 200,000 268,309
Department of Parks and Recreation—Support Department of Water Resources—Support Water Resources Control Board—Support	937	1,138,390	282,742	282,742 1,138,390	1,337,390	215,000	215,000	1,413,000	195,000	195,000
TOTALS, RESOURCES		\$3,895,737	\$3,704,191	\$7,599,928	\$4,885,515	\$3,918,703	\$8,804,218	\$4,926,675	\$3,694,750	\$8,621,425
HEALTH AND WELFARE Department of Health: Special Project Activities	81 84							\$7,892,694 377,000	13,878,418	13,878,418 \$25,873,755 377,000
Totals, Department of Health								\$8,269,694	\$31,859,479	\$40,129,173

			Actual 1971-72		H	Estimated 1972–73		Ħ	Estimated 1973-74	
Department	Page refer- ence	Grants	Reimburse- ments and special projects	Total	Grants	Reimburse- ments and special projects	Total	Grants	Reimburse- ments and special projects	Total
STATE OPERATIONS—Continued										-
HEALTH AND WELFARE—Continued Department of Mental Hygiene: Developmental Disabilities Frogram Department of Mental Hygiene—Support	24 150	\$146,136	\$4,854,522	\$5,300,658	\$100,000	\$128,303 10,836,520	\$228,303 11,253,520			
Totals, Department of Mental Hygiene	1	\$446,136	\$4,854,522	\$5,300,658	\$517,000	\$10,964,823	\$11,481,823			
Department of Public Health-Support	217	\$4,397,128	\$3,013,778	87,410,906	\$4,965,651	\$3,644,985	\$8,610,636			
Department of Human Resources Development: Unemployment Security Financing Act. Benefit Payments and Other Expenditures. Administration—Support.	252 252 252 252 252	\$42,344 710,869,160 101,320,537 69,797,966	\$2,617,784	\$42,344 710,869,160 103,938,321 69,797,966	\$9,952 647,900,000 101,976,728 93,923,571	\$2,811,351	\$9,952 647,900,000 104,788,079 93,923,571	\$17,191 649,000,000 96,055,591 118,911,895	\$2,673,529	\$17,191 649,000,000 98,729,120 118,911,895
Totals, Department of Human Resources Development.		\$882,030,007	\$2,617,784	\$884,647,791	\$843,810,251	\$2,811,351	\$846,621,602	\$863,984,677	\$2,673,529	\$866,658,206
Department of Reliabilitation: Department of Rehabilitation—Support	296	\$47,072,880		\$47,072,880	\$57,284,724		\$57,284,724	\$60,801,515		\$60,801,515
Department of Social Welfare: State Administration and Public Assistance—Support	326	\$16,462,159		\$16,462,159	\$9,006,206		\$9,006,206	\$7,487,487		\$7,487,487
Department of Corrections-Support.	364		\$1,550,174	1,550,174		\$43,063	43,063		\$41,063	41,063
Department of the Youth Authority: Department of the Youth Authority—SupportSpecial Project Activity	458 459	\$2,590,862		\$2,590,862	\$652,605	\$132,240	\$132,240 652,605	\$528,678	\$1,632,000	\$1,632,000 528,678
Totals, Department of the Youth Authority		\$2,590,862		\$2,590,862	\$652,605	\$132,240	8784,845	\$528,678	\$1,632,000	\$2,160,678
TOTALS, HEALTH AND WELFARE		\$952,999,172	\$12,036,258	\$965,035,430	\$916,236,437	817,596,462	\$933,832,899	\$941,072,051	\$36,206,071	\$977,278,122
EDUCATION Department of Education—Support	562	\$17,062,941 494,363	\$446,201	\$17,509,142 494,363	\$23,902,419 348,172	\$533,600	\$24,436,019	\$24,879,948	\$578,763	\$25,458,711 161,289
reported. University of California—Support.	631 657	469,796,853	(6,456,038)	(6,456,038) 469,796,853	481,936,403	(475,000)	(475,000) 481,936,403	488,067,877	(850,000)	(850,000) 488,067,877
Work Study Program	934	71,715	7,773	79,488	56,830	190,000	246,830		381,830	381,830
State College System—SupportSpecial Projects	953		28,899,716 18,540,121	28,899,716 18,540,121		35,571,945 18,300,000	35,571,945 18,300,000		30,476.850 18,300,000	30,476,850 18,300,000
Totals, Trustees of the California State University and Colleges.			\$47,439,837	\$47,439,837		\$53,871,945	\$53,871,945		\$48,776,850	\$48,776,850

			Actual 1971-72		Ä	Estimated 1972–73		E	Estimated 1973-74	
Department	Page refer- ence	Grants	Reimburse- ments and special projects	Total	Grants	Reimburse- ments and special projects	, Total	Grants	Reimburse- ments and special projects	Total
STATE OPERATIONS—Continued										
EDUCATION—Continued Higher Education—Continued Maritime Academy—Support Board of Governors of the Community Colleges—Support	1240 1252	\$221,771	659,571	\$221,771	\$200,400	857,127	\$200,400	\$200,400	\$18.000 786,786	\$218,400 786,786
Totals, Higher Education		\$470,584,702	\$48,107,181 (6,456,038)	\$518,691,883 (6,456,038)	\$482,541,805	\$54,919,072 (475,000)	\$537,460,877 (475,000)	\$488,429,566	\$49,963,466 (850,000)	\$538,393,032 (850,000)
TOTALS, EDUCATION		\$487,647,643	\$48,553,382 (6,456,038)	\$536,201,025 (6,456,038)	\$506,444,224	\$55,452,672 (475,000)	\$561,896,896 (475,000)	\$513,309,514	\$50,542,229 (850,000)	\$563,851,743 (850,000)
TOTALS, STATE OPERATIONS		\$1,469,467,996	\$70,192,812 (157,887,177)	\$1,539,660,808 (157,887,177)	81,459,845,137	\$83,063,504 (182,072,363)	\$1,542,908,641 (182,072,363)	\$1,488,845,511	\$97,706,860 (136,531,445)	\$1,586,552,371 (136,531,445)
GENERAL GOVERNMENT Military Affairs: Facilities for maintenance and care of federal equipment	193		(\$1,804,858)	(\$1,804,858)		(\$1,151,000)	(\$1,151,000)		(\$970,000)	(\$970,000)
BUSINESS AND TRANSPORTATION Department of Public Works: Division of Highways.	694	\$409,611,765		409,611,765	\$390,753,085		\$390,753,085	\$342,161,000		\$342,161,000
RESOURCES Department of Parks and Recreation	868	4,492,750		4,492,750	11,426,330		11,426,330	2,733,243		2,733,243
Department of Water Resources: Federal share of operation and maintenance	941 859	1,546,607		1,546,607	1,543,967		1,543,967	1,761,000		1,761,000
TOTALS, RESOURCES		\$6,179,405		\$6,179,405	\$12,970,297		\$12,970,297	\$4,494,243		\$4,494,243
EDUCATION University of California. Trustees of the California State University and Colleges.	687 994 1267	\$1,077,903 9,877,324 1,700,000		\$1,077,903 9,877,324 1,700,000	\$3,300,000 9,731,260		\$3,300,000	83,103,000		\$3,103,000
TOTALS, EDUCATION		\$12,655,227		\$12,655,227	\$13.031,260		\$13,031,260	\$3,103,000		\$3,103,000
TOTALS, CAPITAL OUTLAY		\$428,446,397	(1,804,858)	\$428,446,397 (1,804,858)	8416,754,642	(1,151,000)	8416,754,642 (1,151,000)	\$349,758,243	(970,000)	\$349,758,243 (970,000)
TOTAL EXPENDITURES; State Operations		\$1,469,467,996 428,446,397	\$70,192,812 (157,887,177) (1,804,858)	\$1,539,660,808 (157,887,177) 428,446,397 (1,804,858)	\$1,459,845,137 416,754,642	\$83,063,504 (182,072,363) (1,151,000)	\$1,542,908,641 (182,072,363) 416,754,642 (1,151,000)	349,758,243	\$97,706,860 (136,531,445) (970,000)	\$1,586,552,371 (136,531,445) 349,758,243 (970,000)
TOTALS, STATE OPERATIONS AND CAPITAL OUTLAY		\$1,897,914,393	\$70,192,812 (159,692,035)	\$1,968,107,205 (159,692,035)	\$1,876,599,779	\$83,063,504	81,959,663,283 (183,223,363)	\$1,838,603,754	\$97,706,860 (137,501,445)	\$1.936,310,614 (137,501,445)

			Actual 1971-72			Estimated 1972-73		ਬ ਬ	Estimated 1973-74	
Department	Page refer- ence	Grants	Reimburse- ments and special projects	Total	Grants	Reimburse- ments and special projects	Total	Grants	Reimburse- ments and special projects	Total
LOCAL ASSISTANCE										
GENERAL GOVERNMENT Miscellaneous: Storm and Flood Danage Repair	234	-\$276,178		-\$276,178	-\$665,000		-\$665,000			
Shared Revenues: Federal Receipts from Flood Control Land Federal Receipts from Forest Reserves. Federal Receipts from Grazing Lands Federal Potash Lease Rentals.	271 271 271 271	122,473 11,245,141 57,001 503,134		122,473 11,245,141 57,001 503,134	192,195 20,735,013 63,459 569,870		192,195 20,735,013 63,459 569,870	\$193,000 21,000,000 64,000 570,000		\$193.000 21,000.000 64,000 570,000
Totals, Shared Revenues		\$11,927,749		\$11,927,749	\$21,560,537		\$21,560,537	\$21,827,000		\$21,827,000
TOTALS, GENERAL GOVERNMENT		\$11,651,571		\$11,651,571	\$20,895,537		\$20,895,537	\$21,827,000		\$21,827,000
BUSINESS AND TRANSPORTATION Local Roads and Highways	689	\$28,024,455		\$28,024,455	892,001,178		892,001,178	\$36,289,000		\$36,289,000
RESOURCES Department of Parks and Recreation: Land and Water Conservation Fund Act	885	-\$157,051		-\$157,051	\$238,674		\$238,674			
HEALTH AND WELFARE Office of Special Services: Alcoholism Program.	24				20 20 A	690 660 6	0.061.458	\$2,522.151	\$648,996 8 166.470	\$3,171,147 0 066,479
Developmental Disabilities Frogram	6				\$6.238,505	\$2,822,953	89,061,458	\$4,322,151	\$8,815,475	\$13,137,626
Department of Health Care Services	141	\$601,233,594		\$601,233,594	\$686,181,955		\$686,181,955			
Department of Health: Special Social Service Programs Medical Assistance Program Assistance to Cities, Counties and Local Agencies for Health	88 86							87,262,068	\$1,897,572	\$1,897,572 87,262,068 700,774,911
Services	8 2							202,751,000		202,751,000
Totals, Department of Health								\$1,003,833,770	\$1,897,572	\$1,005,731,342
Department of Public Health: Care of Crippled Children	219 220 220	2,342,723 130,406 4,992,608	101 000 0	2,342,723 130,406 4,992,608	2,459,923 130,406 4,930,856		2,459,923 130,406 4,930,856			
Mental fetardation Services. Hospital Construction. Assistance for Pamily Planning	222	10,892,432	862,581	10,892,432 862,581	8,821,477	2,154,214	8,821,477			
Totals, Department of Public Health		\$18,912,116	\$2,894,712	\$21,806,828	\$16,342,662	\$2,154,214	\$18,496,876			

Schedule 6-COMPARATIVE STATEMENT OF EXPENDITURES OF FEDERAL AID-Continued

			Actual 1971-72		ন	Estimated 1972–73	3	B	Estimated 1973–74	4
Department	Page refer- ence	Grants	Reimburse- ments and special projects	Total	Grants	Reimburse- ments and special projects	Total	Grants	Reimburse- ments and special projects	Total
LOCAL ASSISTANCE—Continued HEALTH AND WELFARE—Continued Department of Social Welfare: State Administration and Public Assistance Programs—Local Assistance.	329	\$1,462,868,239		\$1,462,868,239	81,535,780,373		\$1,535,780.373	\$1,344,208,739		81,344,208,739
TOTALS, HEALTH AND WELFARE.		\$2,083,013,949	\$2,894,712	\$2,085,908,661 \$2,244,543,495	\$2,244,543,495	\$4,977,167	\$4,977,167 \$2,249,520,662	\$2,352,364,660	\$10,713,047	\$2,363,077,707
EDUCATION Education	266	\$265,752,300	\$50,082,465	\$315,834,765	\$273,618,397	\$48,327,824	\$321,946,221	\$279,207,190	\$70,038,900	\$349,246,090
TOTALS, LOCAL ASSISTANCE		\$2,388,285,224	\$52,977,177	\$2,441,262,401	\$2,631,297,281	\$53,304,991	\$2,684,602,272	\$2,689,687,850	\$80,751,947	82,770,439,797
TOTAL EXPENDITURES: State Operations. Capital Outlay. Local Assistance.		\$1,469,467,996 428,446,397 2,388,285,224	\$70,192,812 (157,887,177) (1,804,858) 52,977,177	\$1,539,660,808 (157,887,177) 428,446,397 (1,804,858) 2,441,262,401 2,631,297,281	\$1,459,845,137 416,754,642 2,631,297,281	\$83,063,504 (182,072,363) (1,151,000) 53,304,991	\$1,542,908,641 (182,072,363) 416,754,642 (1,151,000) 2,684,602,272	\$1,488,845,511 349,758,243 2,689,687,850	\$97,706,860 (136,531,445) (970,000) 80,751,947	\$1,586.552,371 (136,531,445) 349,758,243 (970 000) 2,770,439,797
TOTALS, EXPENDITURES.		\$4,286,199,617	\$123,169,989 (159,692,035)	\$4,409,369,606 \$4,507,897,060 (159,692,035)	\$4,507,897,060	\$136,368,495 (183,223,363)	\$4,644,265,555 (183,223,363)	84,528,291,604	\$178,458,807 (137,501,445)	84,706,750,411 (137,501,445)

Schedule 7-SUMMARY OF PROPOSED EXPENDITURES BY METHOD OF APPROPRIATION FOR THE FISCAL YEAR 1973-74

Figure F		6			C	V		Appropriation s	Appropriation authorities other than Budget Act,	in Budget Act,		•
COLLARSIETANCE Cournal Pund Special Pund Special Pund Total Control Pund Total Control Pund Total Control Pund Total Control Pund Total Total Control Pund Total		Prop		973	Constitution	and Statutory Aut	norizacione	naningno 10	and Deathory at		Total	Total
Columbia	Function	General Fund	Special Funds	Total	General Fund	Special Funde	Total	General Fund	Special Funds	Total	Governmental Cost Funds	Bond Funds
12,12,120 12,120 1	STATE OPERATIONS AND LOCAL ASSISTANCE										-	
Control Cont	GENERAL GOVERNMENT	£37 008 135		£37 008 135	2(\$2,368,000)		(\$2.388.000)		\$1,814,547	\$1,814,547	\$38,620,682	\$38,820,882
Column C	LegislativeJudicial	23,549,206	\$23,972	23,573,178	2,660,121		2,880,121				26,233,299	26,233,299
18.244.00 C25.441.00 C25.	Executive	6,172,320	322,373 27,943,499	6,494,698				\$-115,000		-115,000	128,186,988	126,186,988
Public P	General Administration (Other Funds)		(197,198)	(197,198)				909 0	1 850 000	1 840 304	7 892 858	7.692.656
10.786.001 (1.000.002 (2.20.002.002 (2	Miscellaneous Property Tax Relief	6,642,810 979,250,000	200,642	8,052,352 979,250,000	2(230,000,000)		(230,000,000)	08048	00010001		979,250,000	979,250,000
C C C C C C C C C C	Debt Service	187 383 468	80 347 479	227.730.945	122,312,518		\$122,312,516				227,730,945	227,730,945
107,585,501 22,522,585 10,500,000 10,500,500,500 10,500,500	Unallocated (Loans)	(1,500,000)	(1,000,000)	(2,500,000)								
107,585,501 107,585,501 108,515,203 130,014,503	Unallocated (Other Funds)	0 0	(28,441,604)	(28,441,004)	1,570,000	736,110,000	738,680,000				738,680,000	736,880,000
C102,512.84 C102,512.84 C102,513.84	Agriculture and Services	107,895,801	22,952,850	130,648,451		9,091,500	9,091,500	-105,000		-106,000	139,834,951	139,834,951
1.06.515.940 (1.00.000) (1.00	Agriculture and Services (Other Funds)	99 879 781	(120,591,850)	(120,591,850)		192.935.234	192.935.234	600.000	30,325	630,326	449,873,814	449,873,814
108_515.80	Business and Transportation (Loans)		(35,000)	(35,000)								
	Business and Transportation (Deficiencies)		(1,000,000)	(1,000,000)								
Bond Fund) 188,828 188,928 188,928 188,928 188,928 188,928 188,928 188,928 188,928 188,928 188,928 188,928,938 188,928,938 188,911,000 188,928 188,928,438 <	Business and Transportation (Other Funds)	108.515.840	(724,495)	(724,495)		8,000,000	8,000,000	369,870		369,870	148,884,791	146,684,791
1.880.00	Resources (Bond Fund)		188,828	188,828						000		188,828
1,486,527,583	Resources (Bond Funds)		138,000	138,000					39,117,000	39,117,000		39,265,000
1,489,527,583 7,583,721,286 680,332,600 881,19,230 272,733 16,391,863 2,193,945,849 16,000 18,119,230 272,733 16,391,863 2,193,945,849 16,000 18,119,230 18,800,000 18,119,230 18,800,000 18,119,230 18,800,000 18,119,230 18,800,000 18,119,230 18,800,000 18,119,230 18,800,000 18,119,230 18,800,000 19,122,232,281,230 19,104,858 19,945,981,734 19,000,000 19,00	Resources (Denciencies)		(10,718,028)	(10,718,028)								
CAL ASSISTANCE 44,121,455,364 Cap agencies	Health and Welfare	1,489,527,583	7,893,723	1,497,221,288	680,332,600		880,332,600	18,119,230	272,733	16,391,963	2,193,945,849	2,193,945,849
CAL ASSISTANCE 4,121,455,364 Cap. 66,565,312 Cap. 66,565,314 Cap. 66,565,3	Health and Welfare (Other Funds)	(10 000)	(40,184,105)	(40,184,105)								
SAND LOCAL ASSISTANCE #4,121,455,364 (1,510,000) (1695,512) (1,122,965,364) (1,510,000) (1995,512) (1,121,000) (1995,565,721,143) (1,121,000) (1,122,965,364) (1,121,000) (1,122,965,364) (1,121,000) (1,122,965,364) (1,121,000) (1,122,965,364) (1,121,000) (1,122,965,364) (1,121,000) (1,122,965,364) (1,121,000) (1,122,965,364) (1,121,000) (1,122,965,364) (1,121,000) (1,122,965,364) (1,121,000) (1,121,0	Health and Wellare (Frior real Dencemby)	220,581,230	1,880,000	222,281,230	2,212,229,421	2,825,000	2,215,054,421	843,713	26,875,000	28,318,713	2,483,834,384	2,483,834,384
SAND LOCAL ASSISTANCE \$4,121,455,364 \$387,887,021 \$4,509,142,385 \$88,896,365,381 \$4,121,455,364 \$28,582,442,385 \$4,121,455,364 \$387,887,021 \$4,509,142,385 \$4,121,455,364 \$387,887,021 \$4,509,142,385 \$4,121,455,364 \$4,121,456,364 \$4,121,455,364,364 \$4,121,455,364 \$4,121,455,364 \$4,121,455,364 \$4,121,455,364	Education (Other Funds)	855,300,143	(6,956,412)	(8,958,412) 855,572,143							855,572,143	865,572,143
Funde. Funde. Funde. ATIONS AND LOCAL ASSISTANCE \$4,121,455,364 \$387,887,021 \$4,509,142,385 \$83,69,104,658 \$8945,981,734 \$1,509,142,385 \$1	Higher Education (Other Funds)		(19,031)	(16,031)						000 000 0	000 000 01	000 000 01
ATIONS AND LOCAL ASSISTANCE \$4,121,455,364 \$387,887,021 \$4,509,142,385 \$3,019,104,858 \$3945,081,734 \$3,995,088,392 \$4-8,598,883 \$88,369,805 \$59,762,722 \$8,494,527,871 \$3,7131,963,139 \$3,019,104,858 \$3,	supported from Special Funds							-18,000,000		-18,000,000	-18,000,000	-10,000,000
\$1,121,465,864 \$29,242,605 \$131,963,139 \$131,963,139 \$131,963,139 \$131,963,139 \$131,963,139 \$131,963,139 \$131,963,139 \$131,963,139 \$131,963,139 \$131,963,139 \$131,963,139 \$131,060 \$1,132,965,364,1 \$1,132,965,364,1 \$1,136,100,1	TOTALS, STATE OPERATIONS AND LOCAL ASSISTANCE	11	\$387,887,021	\$4,509,142,385	\$3,019,104,858	\$945,981,734	\$3,985,088,392	\$-8,598,883	\$88,369,805	\$59,762,722	\$8,494,627,871	\$8,633,971,499
Sec. 1867, 5	General Fund	\$4,121,455,864			\$3,019,104,658			\$-8,596,883	300 070 000		87,181,963,189	\$7,131,963,139 1,369,561,539
(4,122,965,364) (697,662,721) (1,510,000) (209,965,721)	Special Funds Total Selected Bond Funds		326,360,193			\$340,301,134			89,117,000			39,443,828
(1,510,000) (209,965,721)	Budget Bill Total	(4,122,965,364)	(697,652,742)	(4,720,618,106)								
	Non-Governmental Cost Funds, Loans, and Deficiencies	(1,610,000)	(121,999,965,721)	(211,470,721)								

¹ Nongovernmental cost fund expenditures are not included in these columns.

² These are constitutional and Statutory Authorizations which are appropriated as Budget Act Items.

Schedule 7-SUMMARY OF PROPOSED EXPENDITURES BY METHOD OF APPROPRIATION FOR THE FISCAL YEAR 1973-74-Continued

-	Propo	Proposed Budget Act of 1	973	Constitution	Constitution and Statutory Authorizations	hnrizations¹	Appropriation s	Appropriation authorities other than Budget Act, or Constitution and Statutory Authorizations!	n Budget Act, thorizations!	Total	Total
Function	General Fund	Special Funds	Tutal	General Fund	Special Funds	Total	General Fund	Special Funds	Total	Governmental Cost Funds	including Bond Funds
CAPITAL OUTLAY			000							1910	1181 020
General Government. General Government (Bond Funds)Agriculture and Services.	3,891,157	\$4,086,580	7,967,737		\$1,494,270	\$1,494,270		\$250,000	\$250,000	9,452,007	250,000 250,000 9,452,007
Agriculture and Services (Other Funds)	4,516,836	10,827,540	16,827,540		342,113,385 750,000	342,113,385		25,000,000	25,000,000	352,740,925 42,590,436	352,740,925 42,590,436 13,800,888
Resources (Bond Funds)		4,624,600 (859,500)	4,624,800					120,212,128	120,212,128		124,836,728
Heath and Welfare. Education Higher Education Higher Education (Bond Funds) Higher Education (Bond Funds) Higher Education (Other Funds)	6,176,880	20,000,000 65,349,000 54,651,000 35,990,100 (14,985,000)	5,178,860 20,000,000 65,349,000 54,651,000 35,990,100 (14,985,000)					-134,880	134,860	5,042,200 20,000,000 65,349,000	5,042,200 20,000,000 85,349,000 54,851,000 35,990,100
TOTALS, CAPITAL OUTLAY	\$13,745,873	\$221,433,088	\$235,178,961		\$344,357,855	\$344,357,855		\$145,327,468	\$145,327,488	\$495,335,588	\$724,884,084
General Fund Special Funds Total Selected Bond Funds	619,140,613	\$112,366,720			\$344,867,666			\$24,865,340 120,462,128		481,689,716	481,689,716
Budget Bill Total	(\$13,746,873)	(\$237,927,388)	(8251,673,261)								
TOTALS, EXPENDITURES	\$4,135,201,237	\$809,120,109	\$4,744,321,346	\$3,019,104,658	\$1,290,319,389	\$4,309,424,047	-\$8,598,883	\$213,687,073	\$205,090,190	\$8,989,863,259	\$9,258,835,583
General Pund. Special Funds. Total Selected Bond Funds.	\$4,135,201,237	\$499,726,913 109,393,196		\$3,019,104,658	\$1,290,319,389		-\$8,696,883	\$64,107,945		1,844,154,247	\$7,145,709,012 1,844,164,247 268,972,324
Budget Bill Total. Non-Governmental Cost Funds, Loans and Deficiencies.	(\$4,136,711,237)	(\$835,580,130) (\$26,460,021)	(\$8,972,291,367)								

1 Nongovernmental cast fund expenditures are not included in these columns.

Schedule 8

COMPARATIVE STATEMENT OF EXPENDITURES BY THE BUDGET ACT AND EXPENDITURES REQUIRED BY THE CONSTITUTION OR OTHER STATUTES FOR THE FISCAL YEARS 1971-72, 1972-73 AND 1973-74

		Actual 1971-72		E	Estimated 1972-73		A	Estimated 1973-74	
Purpose and Legal Citation	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
CONSTITUTIONAL AND STATUTORY AUTHORIZATIONS									
REQUIRED BY CONSTITUTION: General Government: Debt Service: Bond Interest and Redemption: Various Bond Acts Ratified in the Constitution—State Opera-				-					
tions Public School Buildings Bonds Ratified in the Constitution— Local Assistance	\$105,749,876		\$105,749,876 53,433,512	\$115,694,119		\$115,694,119	\$122,312,516 52,701,954		\$122,312,516 52,701,954
Education: Apportionment to Public Schools: Article IX, Section 6 of the State Constitution—Local Assistance	941,384,340		941,384,340	942,938,640		942,938,640	945,936,000		945,936,000
Totals, Constitutional Requirement	\$1,100,567,728		\$1,100,567,728	\$1,113,714,642		\$1,113,714,642	\$1,120,950,470		\$1,120,950,470
AUTHORIZED BY STATUTES: General Government: Legislative: Salaries of State Legislature: Section 8901, Government Code—State Operations	1 (\$2,340,000)		(\$2,340,000)	1 (\$2,340,000)		(\$2,340,000)	1(\$2,366,000)		(\$2,366,000)
Supreme and Appellate Courts: Contributions to Judges' Retirement Fund, Section 75101, Government Code—State Operations.	185,526		185,526	192,853		192,853	198,870		198,870
Judges of Superior and Municipal Courts: Contribution to Judges' Retirement Fund, Section 75101, Government Code—Local Assistance.	2,181,734		2,181,734	2,352,239	1	2,352,239	2,461,251		2,461,251
Miscellaneous: Storm and Flood Damage Repair, Section 186.95, Streets and Highways Code—Local Assistance		-\$218,247	-218,247		-\$250,000	-250,000			
Property Tax Relief: Personal Property Tax Relief, Section 16100, Government Code— Local Assistance. Open Space Lands—Williamson Act, Section 16100 or 16140, Government Code—Local Assistance.	1 (84,881,331)	1 (36,860,191)	(121,741,522)	1 (13,000,000)		(133,000,000)	1 (208,000,000)		(208,000,000)
Shared Revenues: Apportionment of Liquor License Fees: Section 25761. Business and Professions Code—Loral Assistance		19 965 088	9 9 9 9 9 9 9 9		13,790,339	13.790.339		\$13,450,000	13,450,000
Apportionment of Highway Properties Rental Receipts: Section 104.10, Streets and Highways Code—Local Assistance Apportionment of Off Highway License Fees, Section 38230-38240, Vehicle Code—Local Assistance.		2,313,127	2,313,127		2,472,103	2,472,103		2,642,000	2,642,000
Apportionment of Motor Vehicle License Fees (In Lieu Tax): Sections 11003.3 and 11005, Revenue and Taxation Code—Local Assistance.		245,857,846	245,857,846		269,210,000	269,210,000		288,600,000	288,600,000

¹ These are Constitutional and Statutory Authorizations which are appropriated as Budget Act items.

Schedule 8-EXPENDITURES BY BUDGET ACT, CONSTITUTION OR OTHER STATUTES-Continued

		Aotual 1971-72		Ħ	Estimated 1972-73		#	Estimated 1973-74	-
Purpose and Legal Citation	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
CONSTITUTIONAL AND STATUTORY AUTHORIZATIONS— Continued									
AUTHORIZED BY STATUTES:—Continued Shared Revenues:—Continued Apportionment of Cigarette Tax: Sections 30462(e) and 30133, Revenue and Taxation Code—Local				-	000	26 900 000		76.300.000	76.300,000
Assistance. Apportionment of Highway Carriers Uniform Business License Tax: Specing Asia(b), Public Utilities Code—Local Assistance.	1,300,349	73,444,590	73,444,590	1,380,000	000,002,01	1,390,000	1,450,000		1,450,000
Apportionment of Tideland Revenues: Section 6817, Public Resources Code—Local Assistance	113,130		113,130	120,000		120,000	120,000		120,000
Section 2014, 2105 and 2106, Streets and Highways Code—Local		158,009,548	158,009,548		160,700,000	160,700,000		108,600,000	108,600,000
Vehicl		72,059,429	72,069,429		73,300,000	73,300,000		76,800,000	76,800,000
Apportionment of Motor Vehicle Fuel Taxes to Cities: Section 2106, Streets and Highways Code-Local Assistance		101,125,271	101,126,271		102,800,000	102,800,000		107,900,000	107,900,000
Agriculture and Services: Payment to Counties for Agricultural Programs: Section 224(1) and 224(2) Agricultural Code—State Operations		1,473,582	1,473,582		1,500,000	1,500,000	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	1,500,000	1,500,000
Section 224, 224(2), 224(3) and Section 12112, 12,844, Agricultural		1.312.118	1,312,118		1,830,500	1,830,500		1,750,500	1,750,500
District Agricultural Fairs: Sections 19622 and 19627, Business and Professions Code—State		000 886 6	3 288 800		2.990.788	2,996,788		3,241,000	3,241,000
Section 19630, Business and Professions Code and Section 4002, Agricultural Code—Canital Outlay.		1,386,909	1,386,909		3,877,800	3,877,800	1	1,494,270	1,494,270
County Agricultural Fairs: Sections 19622, 19626, 19627 and 19630, Business and Professions Code—Local Assistance.		2,392,342	2,392,342		2,500,000	2,600,000		2,600,000	2,600,000
State Highways: Section 183, Streets and Highways Code, and Section 5323, Business and Professions Code—State Operations.	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	129,812,274	129,812,274		152,761,323	152,761,323 364,479,755		159,238,530 342,113,385	159,238,530 342,113,385
Sections 2210.5, 143.3, and 183, Streets and Highways Code— Local Assistance		10,114,174	10,114,174		22,642,000	22,642,000		10,097,000	10,097,000
Section 22710, Vehicle Code—Local Assistance		4,956,890	4,956,896	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	18,786,636	18,786,636		15,730,000	15,730,000
County Airports: Section 21680-21683, Public Utilities Code—Local Assistance	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	877,919	877,919		3,264,809	3,264,809		2,869,704	2,869,704
Resources: Department of Navigation and Ocean Development: Section 8352(g), Rovenue and Taxation Codo—Local Assistance.		5,520,950	5,520,950	1 1 1 2 3 4 1 1 1 1 1 1 1	000'000'9	000'000'9		000'000'9	000'000'9
Wildlife Conservation Board: Section 1352, Fish and Game Code—Capital Outlay		467,672	467,672	3 1 1 1 1 1 1 1 1	750,000	750,000		750,000	7:50,000

Schedule 8-EXPENDITURES BY BUDGET ACT, CONSTITUTION OR OTHER STATUTES-Continued

			Actual 1971-72		व्य	Estimated 1972–73	æ	H	Estimated 1973-74	4.
	Purpose and Legal Citation	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
	CONSTITUTIONAL AND STATUTORY AUTHORIZATIONS—Continued									
	AUTHORIZED BY STATUTES:—Continued Health and Welfare: Department of Social Welfare: Public Assistance Grants—Local Assistance. Public Assistance Grants—SB 90—Local Assistance. Public Assistance Grants—AB 2089—Local Assistance	657,369,835		657,369,835	620,815,100 923,150 3,598,700		620,815,100 923,150 3,598,700	661,853,100 11,476,800 7,002,700		661,853,100 11,476,800 7,002,700
	Education: Department of Education: Section 17305(a). Education Code—State OperationsApportionment to Public Schools:	143,900		143,900	154,152		154,152	165,047		165,047
	Sections 17301, 18303, 6421-6434, 6445 and 6499.230, Education Code—Local Assistance	431,542,512	3,425,940	434,968,452	450,776,338	10,484,049	461,260,387	21,171,342,320	2,825,000	1,174,167,320
	Section 18251, Education Code—Local Assistance—Assistance to New Community Colleges: Section 20211, Education Code—Local Assistance	13,760,323		13,760,323	16,400,000		16,400,000	17,000,000		24,334,100 17,000,000 750,000
B-8	Totals, Statutory Authorizations	\$1,107,747,155	81,159,559,678	\$2,267,306,833	\$1,096,722,532	\$1,291,302,902	\$2,388,025,434	\$1,898,154,188	\$1,290,319,389	\$3,188,473,577
32	TOTALS, REQUIRED BY CONSTITUTION AND AUTHORIZED BY STATUTE.	\$2,208,314,883	\$1,159,559,678	\$3,367,874,561	\$2,210,437,174	\$1,291,302,902	\$3,501,740,076	\$3,019,104,658	\$1,290,319,389	\$4,309,424,047
	State Operations Capital Outlay Local Assistance	\$106,079,302 2,102,235,581	\$134,574,656 330,817,031 694,167,991	\$240,653,958 330,817,031 2,796,403,572	\$116,041,124	\$157,258,111 369,107,555 764,937,236	\$273,299,235 369,107,555 2,859,333,286	\$122,676,433 2,806,428,225	\$163,979,530 344,357,655 781,982,204	\$286,655,963 344,357,655 3,678,410,429
	BUDGET ACT AUTHORIZATIONS									
	Expenditures from appropriations and authorizations which are subject to legislative or executive determinations, including Budget Act appropriations made available for expenditure for more than one fiscal year, and deficiency authorizations.									
	State Operations Capital Outlay Local Assistance	\$1,312,902,128 134,016,775 1,372,041,716	\$263,837,547 -109,504,739 33,180,600	\$1,576,739,675 24,512,036 1,405,222,316	\$1,537,499,336 18,268,719 1,899,269,900	\$304,482,815 107,491,575 22,099,188	\$1,841,982,151 125,760,294 1,921,369,088	\$1,673,664,827 13,745,873 2,439,193,654	\$376,405,065 137,232,060 40,197,733	\$2,050,069,892 150,977,933 2,479,391,387
	TOTALS, BUDGET ACT AUTHORIZATIONS	\$2,818,960,619	\$187,513,408	\$3,006,474,027	\$3,455,037,955	\$434,073,578	\$3,889,111,533	84,126,604,354	\$553,834,858	\$4,680,439,212
	TOTALS, EXPENDITURES	\$5,027,275,502	\$1,347,073,086	\$6,374,348,588	\$5,665,475,129	\$1,725,376,480	\$7,390,851,609	\$7,145,709,012	\$1,844,154,247	\$8,989,863,259

² Reflects \$561,000,000 additional funds provided by Chapter 1406, Statutes of 1972, (S.B. 90).

Schedule 9—EXPENDITURES FOR THE 1971-72 AND 1972-73 FISCAL YEARS RECONCILIATION OF THE CHANGES FROM THE PREVIOUS BUDGET ESTIMATES

	19	1971-72 Fiscal Year	leg .					1972-73 Fiscal Year	scal Year				
	1972-73 Governor's Budget Estimated Expenditures	Savinge	1973–74 Governor's Budget Actual Expenditures	1972–73 Governor's Budget as Submitted	Effect of Legislativa Action	Prior Year Balance Forward Adjustments	Transfers	Allocations	Deficiency Appropriations	Continuing Appropriation Augmentation	Estimated Savings (-)	Current Year Balance Forward Adjustments	Reestimated 1972-73 Fiscal Year Expenditures
GENERAL FUND STATE OPERATIONS General Government: Legislative	\$33,105,511 8,847,763 3,819,376 74,818,183	\$32,338 63,987 71,067 2,066,951	\$33,137,849 8,783,776 3,748,319 72,769,232	\$33,173,985 9,311,927 4,129,225 81,917,490	\$3,095,710 262,362 320,360 4,375,739	\$69,913		\$148,534 - 388,414 - 179,880 - 4,741,156 -		\$12,770	\$ - 7,621 - 534,942	\$-3,025,004	\$38,416,229 9,995,473 4,621,824
Miscellaneous Debt Service Unallocated	3,580,483 129,817,284 2,893,776	-232,523 -14,428,322 -2,459,034	3,347,960 115,390,962 434,742	4,788,544 130,678,353 78,028,872	1,625,000 -12,400,000 42,668,065	46,284		14,175	\$4,200,000		- 185,818 -2,584,234 -3,986,818		9,415,698 9,415,698
Totals, General Government. Agriculture and Services. Business and Transportation. Resources. Health and Welfare.	\$256,880,375 \$83,546,598 17,839,074 82,548,281 327,104,812	\$-19,277,536 \$171,040 -1,511,647 -729,148 -5,659,000	\$237,502,840 \$83,717,738 16,227,427 81,919,133 321,445,812	\$342,038,398 \$83,189,514 18,470,187 77,430,377 342,194,945	\$39,947,236 \$15,430,127 - 450,000 9,341,719 4,669,388	\$116,197 \$2,866,473 500,000 204,621 557,600	\$14,408	\$\begin{align*} \$6,20,585 \\ \$6,20,585 \\ \$60,447 \\ \$9,282,871 \\ \$28,603,278 \end{align*}	\$4,200,000	\$12,770 83,381	\$-7,279,433 \$-537,762 -861,258 -3,373,879	\$ -3,025,004 \$ -413,785 -500,000 -233,000 -3,124,005	\$269,975,880 \$108,655,172 16,109,358 95,104,377 387,571,211
Education: Education Higher Education Credits to General Fund for services	18,457,290 679,254,473 — 12,800,000	-1,104,089 -4,649,474 910,260	15,353,221 574,604,999 —11,889,740	16,505,500 738,108,759 —12,500,000	1,750,300	158,248	663,375	946,385		4,802	-378,084	- 250,000	19,778,590 798,345,874 —16,000,000
Estimated Unidentified Savings Net Expenditure Changes, Chapter 1, Statutes of 1971, 1st E.S	- 5,000,000	6,000,000		1,000,000							-1,000,000		anning in the second
Totals, State OperationsCAPITAL OUTLAY General Government:	\$1,441,931,004	\$-22,949,574 \$1,418,981	430	\$1,594,435,658	\$71,308,053	\$7,985,070	\$911,667	\$ -5,814,771	\$4,210,000	\$80,953	\$- 12,030,398	\$-7,545,774	\$1,653,540,460
General Administration	\$185,000	\$40,035,000	\$185,000	\$50,000		\$153,712	\$10,000	\$-1,899				\$-131,813	\$80,000
Totals, General Government Agriculture and Services	\$185,000	\$40,035,000 \$83,345 -3,361,686	\$40,200,000 \$83,345 1,600,520	\$-100,000 937,000	\$3,250,390 1,033,040	\$163,712 \$16,655 3,057,875	\$10,000	\$-1,899			\$100,000	\$-131,813	\$80,000 \$3,257,045 4,849,875
Health and Welfare Education Higher Education	150,000 43,000 12,020,748	-58,326 79,977,488	91,574 43,000 91,998,238	2,145,000	7,800	10,000	-10,000				19,088		7,934,599
Totals, Capital Outlay	\$17,340,954	\$116,575,821	\$134,016,775	\$3,032,000	\$12,175,630	\$3,253,753		\$-1,899			\$119,088	\$-309,853	\$18,288,719
Totals, State Operations and Capital Outlay	\$1,459,271,958	\$93,728,247	\$1,552,998,205	\$1,597,467,658	\$83,483,683	\$11,238,823	\$911,667	\$-5,816,570	\$4,210,000	\$80,953	\$-11,911,308	\$-7,855,627	\$1,671,809,179

Schedule 9—EXPENDITURES FOR THE 1971—72 AND 1972—73 FISCAL YEARS RECONCILIATION OF THE CHANGES FROM THE PREVIOUS BUDGET ESTIMATES—Continued

	21	1971-72 Fiscal Year	L.					1672-73 Fiscal Year	iscal Year				
	1972-73 Governor's Budget Estimated Expenditures	Savinge	1973-74 Governor's Budget Actual Expenditures	1972-73 Governor's Budget as Submitted	Effect of Legislative Action	Prior Year Balance Forward Adjustments	Transfers	Allocations	Deficiency Appropriations	Continuing Appropriation Augmentation	Estimated Savings	Current Year Balance Forward Adjustments	Reestimated 1972-73 Fiscal Year Expenditures
GENERAL FUND—Continued LOCAL ASSISTANCE General Overnment: Judicial General Administration Miscellancous Property Tax Relief Shared Revenues	13,448,681 775,000 766,560 341,300,000 1,645,000	\$906.063 721.917 - 841.871 - 18.517.069 - 231,521	\$14,364,964 1,496,917 124,879 324,762,931 1,413,479	\$13,646,907 775,000 480,385 458,500,000 1,840,000	\$1,213,200 500,000 9,300,000	\$641,930		\$648,377 200,000		\$106,348	-\$300,000 -19,000,000 -130,000	000'000'1\$	\$15,604,832 1,175,000 122,315 448,600,000 1,510,000
Totals, General Covernment	\$357,933,231 \$262,048 3,996,400 1,523,741,104 1,830,738,862	-\$15,780,261 \$21,164 109,625 -36,545,112 9,762,218	\$342,172,970 \$303,230 4,106,025 1,487,195,992 1,840,499,080	\$475,042,292 \$298,646 3,602,000 1,725,890,839 1,654,814,171	\$11,013,200 - \$38,000 4,812,500 - 38,578,461 10,338,837	\$641,930 75,000 3,862,788 772,281	- \$14,408 772,040 -1,860,299	\$748,377 14,408 5,053,224 2,061		\$198,346	- \$19,430,000 - 18,638,890 - 10,752,759	-\$1,000,000 -13,500,000 -263,335	\$467,212,147 \$260,648 8,469,500 1,864,661,320 1,653,022,337
Totals, Local Assistance	\$3,518,869,843 \$4,975,981,601	\$42,412,348	\$3,474,277,297 \$5,027,275,502	\$4,059,847,748	-\$12,852,124 \$70,631,559	\$5,171,959 \$18,410,762	-\$911,667	\$5,818,870	\$4,210,000	\$198,346	-\$46,621,849 -\$60,732,957	- \$14,783,335 - \$22,838,982	\$3,993,665,960 \$5,865,475,129
SPECIAL FUNDS STATE OPERATIONS General Government: Legislative Judicial. Executive. General Administration. Miscellaneous.	-\$181,835 13,702 168,411 12,875,113 393,111 24,899	-\$448,718 -40,272 -417,309 8,463 2,900	-\$808,361 13,702 148,139 12,257,804 399,574	\$1,622,681 17,897 192,778 13,248,745 411,517	\$1,414 5,048,225 846,555	\$148,718	\$408,185	\$12,179 1,060,027 5,5,656 -19,319,270			-\$1,453 -74,888 -3,736,430	-\$988,380	\$1,280,917 17,697 203,502 14,541,863 990,296 11,721
Totals, General Government. Agriculture and Services. Business and Transportation. Resources. Health and Welfare. Education. Higher Education. Totals, State Operations.	\$13,133,601 \$28,400,806 333,438,773 27,370,002 848,241 2,185,800 1,083,200	-\$694,934 -\$941,041 -3,240,181 -203,815 27,001 -304,900 -290,260 -\$5,847,910	\$12,236,687 \$25,496,855 330,196,612 27,186,387 875,242 1,880,700 792,940	\$37,912,382 \$77,062,444 348,329,218 30,574,268 873,461 2,106,808 272,000	\$5,896,194 \$3,305,268 3,898,931 -3,335,817 811,000	\$448,718 \$53,000 1,109,485 179,993 483,331 287,469	\$408,185 - \$408,185	\$2,343,300 \$2,343,300 13,965,874 1,291,594 816,111		\$19,708,965	-\$3.817,671 -\$715,909 -4,342,713 -848,582 -310,001 -374,855	-\$5,486,380 -\$53,000 120,046 -\$5,421,334	\$17,145,998 \$31,995,121 380,189,821 28,063,674 2,075,902 1,731,151 569,459 \$461,740,928

Schedule 9—EXPENDITURES FOR THE 1971-72 AND 1972-73 FISCAL YEARS RECONCILIATION OF THE CHANGES FROM THE PREVIOUS BUDGET ESTIMATES—Continued

	11	1971-72 Fiscal Year	ų					1972-73 Fiscal Year	scal Year				
	1972–73 Governor's Budget Estimated Expenditures	Savings	1973-74 Governor's Budget Actual Expenditures	1972–73 Governor's Budget as Submitted	Effect of Legislative Action	Prior Year Balance Forward Adjustments	Transfers	Allocations	Deficiency Appropriations	Continuing Appropriation Augmentation	Estimated Savings	Current Year Balance Forward Adjustments	Reestimated 1972-73 Fiscal Year Expenditures
SPECIAL FUNDS—Continued CAPITAL OUTLAY General Government. Agriculture and Services. Business and Transportation. Resources. Health and Welfare.	\$3,294,388 322,372,005 1,370,646 —177,250	-\$40,000,000 -1,835,042 9,754,733 -538,577 -88,125,379	-\$40,000,000 1,459,346 332,126,738 832,069 -154,558	\$1,771,358 351,524,892 960,000 - 162,676 39,057,000	\$150,000 -147,472 9,543,900 1,000,000	\$2,369,900 12,284,179 26,717,066 24,155 5,551,401		\$2,529		\$5,172 19,521,755 34,000	-\$865,029		\$4,298,969 383,183,354 36,389,937 861,479 51,865,401
Totals, Capital Outlay	\$342,033,965	-\$120,721,673	\$221,312,292	\$393,150,574	\$17,803,428	\$46,946,701		\$2,529		\$19,560,927	-\$865,029		\$476,599,130
Totals, State Operations and Cepital Outley.	\$746,294,078	\$746,294,078 -\$126,559,583	\$619,724,495	\$838,080,171	\$27,977,222	\$49,506,665				\$39,269,892	-\$11,072,560	-\$5,421,334	\$938,340,056
LOCAL ASSISTANCE Reneral Government: General Administration Miscellaneous	\$10,400,000 200,000 31,365,478 646,251,088	-\$2,586,658 -40,306 5,494,713 19,534,811	\$7,813,342 159,694 36,860,191 665,785,899	\$12,176,000 200,000 5,494,713 674,622,000	-\$250,000 -5,494,713 1,606,800	-\$177,941				\$22,850,442		\$677,941	\$12,170,000 450,000 699,079,242
Totals, General Government. Agriculture and Service. Business and Transportation. Resources. Health and Welfare.	\$68,216,566 4,182,653 30,998,035 2,236,007 204,543 23,150,000	\$22,402,560 -\$478,193 -13,790,215 -79,050	\$710,619,126 \$3,704,460 17,207,820 2,156,957 204,543 -6,544,315	\$692,486,713 \$3,813,992 18,665,000 6,000,000 272,724	\$4,137,913	\$397,750 7,856,838				\$22,850,442 \$218,758 19,748,154 7,284,049		\$677,941	\$711,699,242 \$4,430,500 46,269,909 6,000,000 272,724 18,384,049
Totals, Local Assistance	\$748,987,804	-\$21,639,213	\$727,348,591	\$744,438,429	\$7,742,087	\$8,076,647				\$50,101,403		-\$23,322,142	\$787,036,424
TOTALS, SPECIAL FUNDS	\$1,495,281,882	\$1,495,281,882 -\$148,208,796 \$1,347,073,086		\$1,582,518,600	\$35,719,309	\$57,583,312				\$89,371,295	-\$11,072,560	-\$28,743,476 \$1,725,375,480	\$1,725,375,480

Schedule 10

STATEMENT OF BONDED DEBT OF THE STATE OF CALIFORNIA AS OF DECEMBER 1, 1972

(This statement does not include bonds issued under authority of state instrumentalities which are not general obligations of the State of California)

GENERAL FUND BONDS

GENERAL OBLIGATION BONDS

Name of Issue	Percent Rate of Interest	Maturity	Authorized	Unsold	Redemptions	Outstanding
State Construction Program Bond Act of 1955	31-5	1959–1985	\$200,000,000	_	\$90,000,000	\$110,000,000
State Construction Program Bond Act of 1958	½ ₁₀ –5	1962-1989	200,000,000	_	66,200,000	133,800,000
State Construction Program Bond Act of 1962	½ ₀ –5	1965–1991	270,000,000	_	61,500,000	208,500,000
State Construction Program Bond Act	3½ ₀ –6½	1967–1993		_		
of 1964 State Higher Education Construction Program Bond Act of 1966	1.20		380,000,000	-	61,600,000	318,400,000
Junior College Construction Bond Act	3½-7	1968–1993	230,000,000	_	29,705,000	200,295,000
of 1968 State Beach, Park, Recreational and	$3\frac{1}{2}-6\frac{1}{2}$	1970–1991	65,000,000	-	5,300,000	59,700,000
Historical Facilities Bond Act of 1964	$3.1-6\frac{1}{2}$	1967–1992	150,000,000	-	20,100,000	129,900,000
Recreation and Fish and Wildlife Enhancement Bond Act of 1970	4-53	1972-1992	60,000,000	\$35,000,000	500,000	24,500,000
California Clean Water Bond Act of	$3\frac{1}{2}-5\frac{3}{4}$	1972–1992	250,000,000	150,000,000	2,500,000	97,500,000
Health Science Facilities Bond Act of	-	-	155,900,000	155,900,000	-	. –
Community College Construction Program Bond Act of 1972	-	-	160,000,000	160,000,000	-	F
Subtotals, General Fund Bonds			\$2,120,900,000	\$500,900,000	\$337,405,000	\$1,282,595,000
PARTIALLY SELF-LIQUIDAT	ING BOND	S a				
State School Building Bond Act of 1949 State School Building Bond Act of 1952 State School Building Bond Act of 1954 State School Building Bond Act of 1956 State School Building Bond Act of 1958 State School Building Bond Act of 1960 State School Building Bond Act of 1962 State School Building Bond Act of 1964 State School Building Bond Act of 1964 State School Building Bond Act of 1966 State School Building Bond Act of 1972	$ \begin{array}{c} 1-4\frac{1}{2} \\ \frac{1}{2}-5 \\ 3\frac{1}{4}-5 \\ 3-5 \\ \frac{1}{2}-5 \\ \frac{1}{2}-5 \\ \frac{1}{2}-5 \\ \frac{1}{2}-5 \\ \frac{3}{4}-7 \\ -7 \\ -7 \\ -7 \\ -7 \\ -7 \\ -7 \\ -7 \\ $	1952-1978 1955-1990 1959-1984 1960-1985 1961-1987 1963-1990 1966-1991 1967-1994 1970-1992	\$250,000,000 165,000,000 100,000,000 100,000,000 220,000,000 200,000,000 260,000,000 275,000,000 350,000,000	- - - - - - - - - - - - - - - - - - -	\$191,500,000 \$4,700,000 50,100,000 44,000,000 \$1,500,000 \$9,400,000 42,800,000 36,000,000 	\$58,500,000 80,300,000 49,900,000 56,000,000 138,500,000 210,600,000 157,200,000 224,000,000 256,145,000
Totals, Partial Self-Liquidating Bonds.			\$2,220,000,000	\$350,000,000	\$638,855,000	\$1,231,145,000
Totals, General Fund Bonds			\$4,340,900,000	\$850,900,000	\$976,260,000	\$2,513,740,000
SELF-LIQUIDATING B	ONDS b					,
California Water Resources Development Bond Act of 1959	$\frac{1}{20}$ $-6\frac{1}{2}$	1973-2022	\$1,750,000,000	\$210,000,000	-	\$1,540,000,000
HARBOR BONDS	S					
San Francisco Harbor Improvement of	4	1951–1985	\$9,000,000	-	\$7,524,000	\$1,476,000
San Francisco Harbor Improvement of	4	1955–1989	9,450,000	-	7,185,000	2,265,000
San Francisco Harbor Improvement of	11-31	1952-1983		-	7,395,000 681,000	2,605,000 $172,000$
India Basin of 1909 g Harbor Development of 1958 f	1-6	1941–1985 1964–1998			13,005,000	46,995,000
Totals, Harbor Bonds			\$89,303,000	-	\$35,790,000	\$53,513,000

Schedule 10-Continued

STATEMENT OF BONDED DEBT OF THE STATE OF CALIFORNIA AS OF DECEMBER 1, 1972-Continued

VETERANS FARM AND HOME BUILDING BONDS

N	Percent Rate					
Name of Issue	of Interest	Maturity	Authorized	Unsolu		Outstanding
Veterans Bond Act of 1951	$1\frac{3}{4} - 2\frac{1}{2}$	1954-1975	\$150,000,000	_	\$135,550,000	\$14,450,000
Veterans Bond Act of 1954	1-5 1-5	1957-1977	175,000,000	-	129,200,000	45,800,000
Veterans Bond Act of 1956	1-5	1958–1984	500,000,000	_	262,800,000	237,200,000
Veterans Bond Act of 1958	$3\frac{1}{4}-5$	1961-1986	300,000,000		104,700,000	195,300,000
Veterans Bond Act of 1960	$\frac{1}{20}$ -5 3-5	1962–1989	400,000,000	-	116,400,000	283,600,000
Veterans Bond Act of 1962	3-5	1966-1988	250,000,000	_	55,050,000	194,950,000
Veterans Bond Act of 1968	$3\frac{1}{2}-6\frac{1}{2}$	1971-1992	200,000,000	_	10,000,000	190,000,000
Veterans Bond Act of 1971	$4-5\frac{7}{2}$	1973-1992	250,000,000	\$200,000,000		50,000,000
Totals, Veterans Farm and Home Buildin	g Bonds	;	\$2,225,000,000	\$200,000,000	\$813,700,000	\$1,211,300,000
m . 1 0 10 T ! 11 .! D .1			04.004.000.000	A440 000 000	*****************	************
Totals, Self-Liquidating Bonds			\$4,064,303,000	\$410,000,000	\$849,490,000	\$2,804,813,000
MODALS ALL SENEDAL ODLYGADION	DOMBO		00 405 000 000	#1 DCO 000 000	01.005.550.000	0F 910 FF9 000
TOTALS, ALL GENERAL OBLIGATION	RONDS"		\$8,405,203,000	\$1,260,900,000	\$1,825,750,000	\$5,318,553,000

a Deht service for the state school building hond issues of the State of California are paid in part with funds of the horrowing school districts.

districts.

b The California Water Resources Development Bond Fund, the San Francisco Harhor Improvement Fund, the Small Craft Harhor Improvement Fund, and the Farm and Home Building Fund of 1943 provide from their respective revenues the sources of financing for the deht service costs that are dishursed from the General Fund.

c Callahle on and after July 1, 1951, hy lot.

d Callahle on and after July 2, 1955, hy lot.

c Callahle on and after January 1, 1941, hy lot.

f San Francisco Harhor services the deht service costs pertaining to the authorization for \$50,000,000 in honds, and the small craft harhors service the deht service pertaining to the authorizations for \$10,000,000 in honds as provided hy Chapter 103, Statutes of 1958. First Extraordinary Session

^{1958,} First Extraordinary Session.

5 Chapter 70, Statutes of 1972, authorizes the reduction of the amount of India Basin of 1909 authorized honds from \$1,000,000 to \$853,000, and the same Chapter 70, Statutes of 1972, authorizes the reduction of the San Francisco Harbor Improvement of 1913 authorized honds from \$10,000,000 to \$9,450,000 for the purpose of reducing the unsold honds to zero accountability.

